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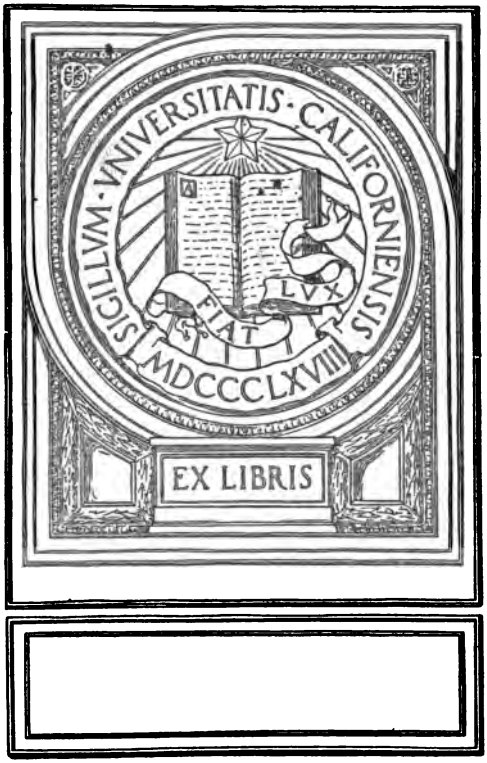
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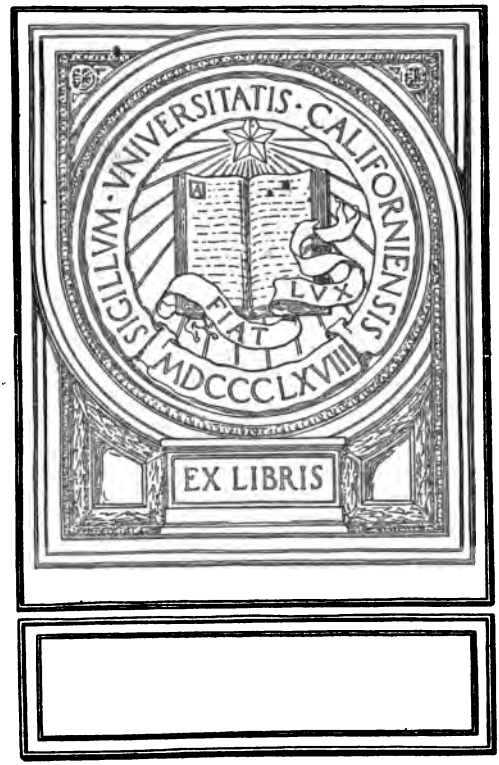
LABOR IN POLITICS
OR
CLASS VERSUS COUNTRY

CHARLES EDWARD FELL

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LABOR IN POLITICS

OR

CLASS *versus* COUNTRY

Copyright, 1920
By Charles Norman Fay

Fourth Edition

UNIV. OF
CALIFORNIA

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DEDICATION

TO THE

PRESS WRITERS OF AMERICA

WILL you permit me, gentlemen of the press, to take the liberty of dedicating to *you* these considerations of a retired looker-on upon certainly one of the most interesting, perhaps one of the most vital, factors in American industry and politics, in the hope that your attention may be attracted at least to the dedication itself, and thence to the substance of the book.

In order that you may know that I do not write too ignorantly, may I say that for many years prior to 1893 I was a public service corporation executive in Chicago, successively the working head of the telephone, gas, and one of the electric companies; and afterwards as head of a private manufacturing company was vice president for Illinois of the National Association of Manufacturers, and chairman of its Strike Insurance Committee. I was also one of the committee on western litigations conducted by the Anti-Boycott Association, — from 1900 to 1904, I think. In these various capacities I was for some time much in contact with Organized Labor and became a student of its activities, and an occasional writer on them since my retirement from active business. I have now no personal interest to bias my judgment, though of course it has been deeply influenced by personal experiences.

I would courteously urge you, as keen and public-spirited observers of events, to study the facts and

conclusions I present, and to give them such discussion and publicity as their importance seems to you to deserve. During the past three years I have offered their substance in various forms to journals and magazines which had occasionally printed my offerings, but always in vain, until I realized that editors, though otherwise receptive, do not like to print what one might call *unfashionable* stuff. In other words, the press, like the politicians, tends to reflect rather than to form public opinion.

For instance, the editor of a well-known weekly, in refusing an "Open Letter to Samuel Gompers" comparing Gompers' militarism and autocracy to German Kaiserism, wrote me in December, 1918, as follows:

"I have read it with interest, but I feel sure that this is not the time to print it; certainly not in the . . . So far as the . . . is concerned, it is a believer in the principles underlying the trades-union movement. The trades-unions have been guilty of grave errors, and sometimes of grave crimes; but so have the capitalists. One reason why the . . . movement is of value just now, is because it is unitedly, solidly, and uncompromisingly against Bolshevism, Socialism. . . . At this juncture we ought to coöperate with Mr. Gompers as far as possible in his work."

And the editor of an equally prominent monthly wrote during the same month as follows:

"I have been much interested in your piece; but I doubt whether it would serve a useful purpose to sound at this time the note of conservative individualism. The center of gravity in these matters has been shifting a good deal during the last few years, and trades-union methods seem less extreme than they once did."

Neither editor denied the truth of the open letter, but both simply preferred to swallow Mr. Gompers

whole. He had them quite hypnotized for the moment.

Seeing that the minds of such thoughtful and patriotic men as these editors, and of such eminent citizens as, for instance, the prominent committee members of the National Civic Federation, and moreover of a very large number of less conspicuous men and women quite as important and sincere as myself, run so directly counter to truth and right as I see them in this matter, ought I not in ordinary modesty and common sense to "go 'way back and sit down," without lifting puny pen to assert them? Perhaps, as a matter of modesty and good sense, yes; but as one of conviction and plain duty, it seems to me I ought, if I can, to bring truth and right as I see them to trial by jury of wide public opinion, engaging the best counsel, *yourselves*, gentlemen of the press, to present the case. Nobody but myself can suffer from an adverse verdict on my whimsies. Hence this book.

Meantime I would not appear to you superficial in presenting Organized Labor as a prime cause rather than a by-product of existing Social Unrest. There may, indeed, be a more fundamental and burning sense of wrong done by capital to labor than I am aware of, which must sometime, as agitators say, burst out like a lava flood to devastate the country; but I do not believe it. I was never able to find a general temper of revolt among my own employees, with hundreds of whom I was for long years fairly well acquainted, nor was such temper noted by some two thousand employers with whom I corresponded on this very subject some years ago. We found neither elemental social injustice nor consciousness thereof among the majority of our working people; that is, on large scale or in many instances. Most of

them recognized that they were fairly well treated, and though some of us, myself included, had had labor trouble, we could in every case put our finger on the particular agitator, usually a paid organizer from some labor union that had carefully stirred up or created the specific grievance that developed "unrest."

I would not deny the world-wide and age-old fact that brains fare better than muscle in this world, and I will grant for the sake of the argument the frequent drastic claim that two per cent of the population of the United States own sixty per cent of the wealth; but if so, I submit that the two per cent own the sixty per cent because they largely organized its creation, and alone are capable of its accumulation and use. I further submit that the majority of Americans, the large majority, are perfectly well aware of that fact, and accept its social justice, at least as applied to men whom they personally know. Though it is perhaps human nature to envy an abler and thriftier man, and even grudge him a little his larger share of this world's goods, it is also human nature, larger and nobler and common to most of us, honestly and fairly to admit that he deserves his success and respect his right to it. I am glad to believe that generosity rather than envy lies at the bottom of the American conception of Social Justice today as in the time of our fathers, who embodied the rights of private property and individual liberty in the constitutional guarantees handed down to us.

This book is therefore frankly a defense of capital against the organized attack of labor; first, because of my convictions as to social justice, but last, and all the time, because labor does not in practice accumulate or use capital. *Yet accumulation and use of*

capital is the vital thing, far more important to society, especially to labor, than its distribution.

Please do not, therefore, gentlemen, class me as a reactionary, or as more "reactionary than the multiplication table," to borrow Governor Coolidge's felicitous phrase; but rather call me a *pragmatist*, if I understand the use of William James' famous expression, a believer in men and methods that stand the test of time, and actually help the world. I wish at least to be absolutely honest and fair in what I say and try to support by proof. I am well aware that extreme severity in judgment and expression always weakens the force of conclusions reached and motives imputed, as to men and acts. But a lie is a lie; selfish appeal is just that and nothing else; utter uselessness and broad failure cannot be praised as idealities; repudiation of contract, breach of law, and defense of crime cannot be disguised as virtues; minimizing production is the most mischievous stupidity, class politics is betrayal of democracy.

I cannot, therefore, conscientiously regard labor leadership that openly stands for all of these things as other than thoroughly dishonest and discredited. While I can understand that the average unthinking man or woman may easily be led by sympathy for the poor to mistake the utter selfishness of trades-unionism for humanitarianism, I confess it is hard to admit that informed and patriotic *editors* should helplessly look to Gompers to save us from Haywood or Lenine, to the Federation or the Brotherhoods to supplant the I. W. W. or the Soviet. What difference does it make to the American who has worked hard and saved something whether the Soviet takes all his capital or Organized Labor takes all his income? *He* starves just the same either way. And what does the supposedly great, free

American people gain, except contempt, by feebly balancing one scare against another, by meekly accepting lesser instead of greater tyranny?

The letters quoted above date back more than a year. Today, after a thousand intervening strikes of all sorts and sizes,—notably, from the editorial point of view, the printer's strike that stopped the weekly above mentioned and other New York magazines last fall,—what with the Adamson Law, the Plumb Plan, the insistence of Labor on the right to strike, even "against the public safety," as Governor Coolidge would say, and finally with the open entry of Messrs. Gompers *et al.* into the Congressional Campaign of 1920—the wind of public opinion seems to be shifting at last, to blow *against* Organized Labor, here and there. With it the politicians and the editors seem to be shifting too.

If so, Messrs. the Press Writers, and if the facts and conclusions here set down seem to you accurate and just, I would courteously beg you to accept this dedication, and make such use as you can of this material. I hope too that it will appeal to the public direct, although addressed thus particularly to yourselves as their intermediary, because few men care to wade through solemn screeds like this.

I am, by the way, not unmindful of the fact that some of you are members of a union of your craft affiliated with the American Federation of Labor; and that the unions in the printing trade are accused of more or less solidly muzzling the press of your country. But I appeal to you nevertheless with confidence, as good Americans first and good union men afterwards, to vindicate the honor of your great profession, the freedom of the press, and the patriotism of your union, by making known the truth in this serious matter.

FOREWORD TO FOURTH EDITION

To THE WOMEN AND THE LEGION

BEFORE passing on to my subject, let me first appeal to the new voters of 1920, especially the women and the young men of the American Legion, men and women keenly alive to their new powers and responsibilities, to study and value, severally and for themselves, the facts presented here.

I put the women first, because (1) it is the *family at home* that suffers first and most from loss of wages and privation entailed by strikes — oftentimes called by Labor autocrats who themselves suffer not a cent's worth meantime; also because (2) it is the wife and children of the nonunion man against whom is turned the meanest and deadliest weapon of trades-unionism, — social ostracism among neighbors, the odious word "scab" shouted at women and children in the streets and at schools; and finally, because (3) in all history the women, once roused, have shown themselves more heroically and sometimes more bitterly partisan than their husbands.

It is therefore fit and inevitable that the women should have their say in matters so nearly concerning the family; and it is particularly desirable that their conscience and intelligence should be wide awake *now,* at the beginning of their political power. It is vital to the *family* that women as voters should

stand for *sound* economics and *unselfish* trades-unionism. It is the *family* that most needs the protection of the courts, and gains most by freedom of the law of supply and demand. No duty rests more squarely upon the new women-voters than the defence of the family; first by their own right thinking, and afterwards by its enactment into law.

I address myself also in the same spirit to the new voters of the American Legion, because they are just now particularly exposed to the temptation, dangled before them by politicians who are fishing for their votes, to put class before country in the matter of bonus-legislation; to their own sure demoralization and the injury of free government. Inasmuch as this book more particularly concerns Organized Labor, however, the affairs of the Legion are touched upon thus briefly here, only because its members cannot consistently condemn class politics, as I urge them to do, on the part of the Federation of Labor or the Farmers' Non-Partisan League, while themselves pushing their own class interest. The splendid principles for which the Legion stands will doubtless in themselves suffice to govern the votes of its members, as occasion to cast them arises; so it is in confident reliance on those principles that I urge the Legion's new voters to vote as they shot, for liberty and the common good — not for the class advantage of any group, least of all their own.

Let the men of the Legion beware always of the pension agents; of *the politicians,* who are always willing to plunder the public treasury in order to curry favor with a few men, and buy a few votes for themselves. Let not these grafters repeat the pension grabs that have continuously, since the close of the Civil War, as the long lines of veterans in the Annual Parade of the Grand Army grew short and

shorter still, called ever for more and more millions; until today, alas, but a few old men remain alive to account for a colossal pension roll, that always grows and never dies. Let the country found no more huge fortunes of pension agents at Washington.

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LABOR IN POLITICS

OR

CLASS *versus* COUNTRY

CHAPTER I

GIST OF THIS BOOK

As I am addressing myself in the first instance to you, gentlemen of the press, I will follow your fashion of giving at the outset the gist of my story, hoping that it may interest you enough to carry you on through the mass of detail that must follow, to support my contentions. Here it is, in brief:

There can be no hope of reasonable relief from "Labor Unrest" so long as four or five million laborers can be fooled into paying fifty million dollars a year to a hundred thousand professional agitators that call themselves by the sounding title of "Organized Labor," only to bedevil their own employers, cripple their own jobs, cut down their own output, and minimize their own earning power. Now these mischief-makers are openly going into our politics.

Mr. Gompers last February served notice on the country, which the June Convention of the American Federation of Labor at Montreal has just confirmed, of "nonpartisan" entry of Organized Labor into the coming political campaign, with but a single purpose in view, namely, the class advantage of Organ-

powerful, and world-famous personages. Naturally, they are pretty sure to go right on running their huge mill, grinding out its daily grist of strikes and dollars. It may be, too, that they sincerely believe in their own mission.

Then there is a smaller group among us, of savers and investors, collectively known as Capital but unorganized; *dis*organized, on the contrary, by war-aftermath, strained by present and doubtful of future conditions, political and economical, it has as yet formed no solid front in its own defense against labor, government, or public opinion. As the English statesman, Winston Churchill, said last December: "Capitalism does nothing to establish its own moral basis, though abundantly capable of defense. The press is afraid of it; the politicians are afraid of it; and its case goes by default." So in this country, too, Capitalism, half dazed, says little in its own justification.

Finally, there are the other nongrouped one hundred millions of us,—the people generally. Most of them have been in favor of the so-called Labor Movement until just now, as humanitarian.

In fact, however, that movement, which is my subject here, is far from humanitarian. It is based on the lying premise of capitalistic oppression and class struggle; it appeals to the worthless motives of selfishness and sloth; it formulates the dishonest purposes of monopoly and coercion; it uses the lawless means of combination in restraint of trade, and violation of constitutional liberty and right. *Moreover it utterly fails to benefit its votaries*—its rank and file. It is an increasing injury and menace to all of us, in cost of living, industry, and finance. It saps our national virility, poisons our politics, and prostitutes democracy to class service. We now at

last suddenly recognize its great centralized militant organization as a menace to free institutions, whether considered as striking or voting machinery. Thus far, apparently, it has benefited no one in any large way except its leaders, especially Mr. Gompers and his confreres; though *they* have benefited enormously, and dream of greater benefit still — while their principle of entire irresponsibility to their country remains unchanged.

We Americans have always been jealous of centralized power, the logical remedy for which is *decentralization.* There is, too, a natural law of centrifugal force that tends to limit the value of centralized control; a tendency to disintegration and decay that makes overgrowth break down under its own weight and weakness. As the German proverb puts it, "Things are so ordained that the trees do not grow into the heavens." The increasing failure of colossal centralization to help labor is therefore perfectly natural and to be expected. It is along the line of decentralization that the American voter is likely to urge the labor movement now and hereafter. The "right to organize, to strike, and to bargain collectively" — all three of them forms of centralized power, — what these rights are or ought to be, and what Mr. Gompers would make of them, I shall try to show; but I think that most Americans already agree with Governor Coolidge, that "there is no right to strike against the public safety, by anybody, anywhere, any time."

I hope to show such Americans that it is time to meet not only the criminal menace of Labor with the law, but to face its political menace with the ballot, in coming and future campaigns, until the bogy of class politics is laid, for the time anyway:

Also that we should divorce labor and politics, and

set free the impartial laws of supply and demand to determine social justice:

Also, as practical men of sense and for the common good, that we should cut loose the labor troubles of every employer from those of all the others, and should not assist Organized Labor's largely successful program of tying all industry and labor in one inextricable tangle, of *centralized* quarreling, bargaining, mediation, and arbitration, compulsory or otherwise; but should on the contrary set each employer free, and each laborer, according to the guarantees of the Constitution, to prosecute his lawful business, under maintenance of law and the public peace; that we should shun *collectivism;* should bar the general and sympathetic strike and the boycott; and finally that we should deny the right to strike against the public welfare, as Governor Coolidge says, by anybody, anywhere, any time.

Nevertheless, I hold that we should accomplish these things *by law* only in so far as it proves to be impossible to accomplish them by voluntary change of heart and purpose of Organized Labor; for every good American recognizes the great and benevolent possibilities underlying the trades-union principle of brotherhood and coöperation.

The education of Labor itself is a consummation devoutly to be wished and seriously undertaken by every lover of his country. Better ethics, better economics, and better industry would pay workingmen far better than the present cult of *war* against the *capitalist oppressor;* there can be no doubt of that.

Decentralization, Least Government, Education, —these are the preachments of this book.

CHAPTER II

THE ISSUES AND THE POINT OF VIEW

I HAVE chosen "Class *versus* Country" as the subtitle for this book partly because it is short, alliterative, and "carries a punch," but more because it exactly states an important question that confronts this country now and in future.

President Gompers, who seems to constitute Labor — as President Wilson constituted the Democratic Party — is openly out to control Congress and the presidential election, and incidentally to plunder the nation for the benefit of labor.

It is not the first time. In 1916, just before the last presidential campaign, he took control of the President and Congress, passed the Adamson Law, and actually did plunder the people for the benefit of the railway workers. We all stood for it, too; partly because we were too busy with the Kaiser just then to bother with Gompers, and partly because the latter caught us off guard with his *coup d'état.*

Nevertheless a shock of surprise and a wave of wrath swept over the country, to be followed by others, till the Seattle strike, the Steel, Boston Police, Longshore, Coal, and a hundred other strikes, with the Plumb (or plunder) Plan, backed up by talk of a general railway strike, one after the other brought conviction to many million free Americans that, having done with the Kaiser, the next autocrat in line for the clippers is Mr. Gompers. Ole Hanson and Governor Coolidge started the revolt; Senator Cum-

mins, Congressman Blanton, and others, are following it up; the President, as usual playing both ends against the middle, slips behind the camouflage of his Industrial Conferences; while Gompers, driven to bay, foams at the mouth, and threatens this poor little nation and its Congressmen with the wrath of Organized Labor.

Well, it is an excellent thing to wash our family linen clean and hang it out to dry. Clean washing is mainly a matter of plenty of hot water, strong soap, vigorous handling, good eyesight, and thorough exposure to the light. The American people is ready to turn Organized Labor inside out, look hard at it, and do the needful scrubbing uncompromisingly. Something not so very different from the Bolshevist pitch has been sticking to our shirt.

When I was a boy in Vermont the old farmers used to say, "Work hard and save your money, and by and by a hired man will do the work for you." But times have changed. I am living again in a New England university town — Cambridge — and find to my surprise an almost Bolshevist cult among my perfectly honest and Christian neighbors. None of them ever created an industry, risked a dollar in active production, or found a job of work for even a few laboring men; yet they have very decided though not very clear views as to how Rockefeller and other greedy capitalists who do all these things ought to *democratize* industry; ought to save and risk all the capital, pay all or nearly all the profit to their employees, and moreover *ought to take their orders* whenever they choose to give them.

These same neighbors, many of them, do not seem to democratize their own domestic industry. They keep servants and incline to say to them, each to his man or her maid, "If you take my wages, you

must also take my orders"—and they are quite right. But they rather remind me of certain Pharisees denounced in the Gospel of St. Matthew, who "say, and do not. For they bind great burdens, and grievous to be borne, and lay them on men's shoulders; but they themselves will not move them with one of their fingers." Perhaps in the aureoled enthusiasm of "the new order" (whatever that may mean) they will label me as reactionary, undemocratic. But let me deprecate *your* doing the same, gentlemen of the press; for I am seriously asking you to look at facts and human nature as they are, not putting too great a strain on either.

To begin and end with, I believe in good hard honest work, in manly pride in doing one's level best up to the point of healthy fatigue; not only for the pay envelope—which will always be the fullest—but for the health and happiness of the worker, and the stimulus that his energy gives to the whole community. Wise men of all ages from Solomon down, and the common sense of the common people everywhere and always, will agree to this creed, though most men do not live entirely up to it. It is a truism, hardly needing iteration.

Of course, I despise and denounce the lazy, useless, contemptible song sung by Mr. Gompers (see A. F. L. Report 1920, inside cover),

> "Whether you work by the piece or work by the day,
> Decreasing the hours increases the pay,"

and his dishonest gospel always to demand "more, more, more" for less, less, less labor. I despise the mule's trick of balking—of doing the least possible work, under threat to do nothing at all if asked to do more. No more demoralizing poison could be instilled into the mind of man than the above, which

in the short space of forty years has transformed our virile, cheerful American craftsmen by hundreds of thousands into flabby, grouchy shirkers, always quarreling with their own bread and butter, and getting less of it.

To me the finer, more human, more American gospel is that of the biggest day's work for the biggest day's pay within my powers. If some other fellow can do a bigger day's work than I can, then let him also get so much bigger pay. If he can outstrip *me*, I would not be so small as to hold him back. If, moreover, he can pay for and coördinate the work of a thousand men like or better than himself, and get far more than a thousandfold the result, let him go ahead, and God bless him. Great be his reward for doing with them all what they cannot do by themselves. He cannot lead the crowd without drawing them after him, at least part way.

Let me reassert my point of view, that of a *pragmatist,* as I said before; a man who believes in things that work and endure, who accepts broad and universal social and economic phenomena that persist through all human history as *ipso facto* based upon natural law and human need, satisfying both. *For when they do not do so, they do not last!* I would apply the same test to the phenomena of economics and politics as to hydraulics or mechanics. If things spring up and *endure*, they must accord with the law of life. If they fail, it is because that law is too strong for them; they are against nature. One of these things that must conform to law in order to endure is *Capital.*

There is nothing in history more certain than this, that where life and property are most secure, where those who sow can also reap and keep, there general prosperity is greatest, poverty is least, and standards

of living are highest. There those who work harder, save faster, risk more, rightly gain and keep more; while those who not only work and save hardest, but who also create work for others besides themselves, rightly gain most of all. *Service rendered*, in the way of work done, directly or indirectly, *is the natural measure of reward*, and has been throughout all history, in accord with natural law.

So long, then, as we Americans conform to natural law as established by history, just so long those who do most in this world will fare the best. If our country is prosperous and the average man is well off, the exceptional man will be better off. There never has been great general prosperity without large private fortunes, from the dawn of history down to date. They appear and disappear with the exceptional men who create them, — for this world's goods in themselves are perishable, — but while they last the great modern industrial fortunes, unlike the hoarded gold and gems of oriental despots, are far more useful to the laborers than to their owners, paying to the former far more year by year in wages than to the latter in dividends. The pestilence-and-famine-free security of our humblest toilers in America compared, say, with the precariousness of savage life in Darkest Africa, or even in Bolshevist Russia, is built upon the firm foundation of our railways, factories, and banks.

Another human phenomenon, even more constant under peaceful conditions than creation and accumulation of capital, is propagation of the race and abundance of labor. The poor ye have always with you, saith Holy Writ. Statesmen and economists need seldom worry about race suicide: there will always be plenty of labor, in times of peace at least. What they ought to worry about, as patriots, work-

ing for the common good, is abundance of *capital.* They should stand for that economical and political system which has actually best created and conserved capital, and endured the test of time and place. Granted abundance of capital, there is always abundance of, and *for,* labor. Without abundance of capital, there is seldom abundance of anything human, except want.

A great change seems to me long overdue in American public opinion, and is perhaps under way already. Of late years millions of us have refused to accept the phenomenon — universal in all times and countries — of wealth for the few, livelihood for the many, and extreme poverty for again a few, as what we call "Social Justice." It is true that before the day of the modern commercial or industrial fortune — the just reward of service rendered — great private wealth was often the odious result of political or military spoliation, taken from the many by taxation or force and pocketed by the few; and that even in America we bear against the earned fortune of the Rockefellers a traditional grudge that relates back to the stolen fortunes of the Cæsars. Although nowhere should the enormous usefulness of capitalism be so well understood as in this fortunate land, many thousands of good Americans have not outgrown the hatred and envy of wealth as "privilege," inherited from centuries of its association with autocracy and robbery. The "moral basis of capitalism," its beneficence, its democracy, its social justice, has not yet been established in our public opinion. Yet it is time we realized that capitalism is an invaluable by-product of political and economic liberty that should be at home and welcome in America. Common sense will admit that democracy should not insist on uniform *poverty*, and

sense of justice will confirm Theodore Roosevelt's expression of the square deal for every man, namely: "Equality of opportunity? — Yes! Equality of *reward?* — No; an iridescent dream!"

We have had enough of demagogy. In Abraham Lincoln's caustic words: You can fool all of the people some of the time, and some of the people all of the time; but you can't fool all of the people all of the time. Most of us now ask to hear plain truth.

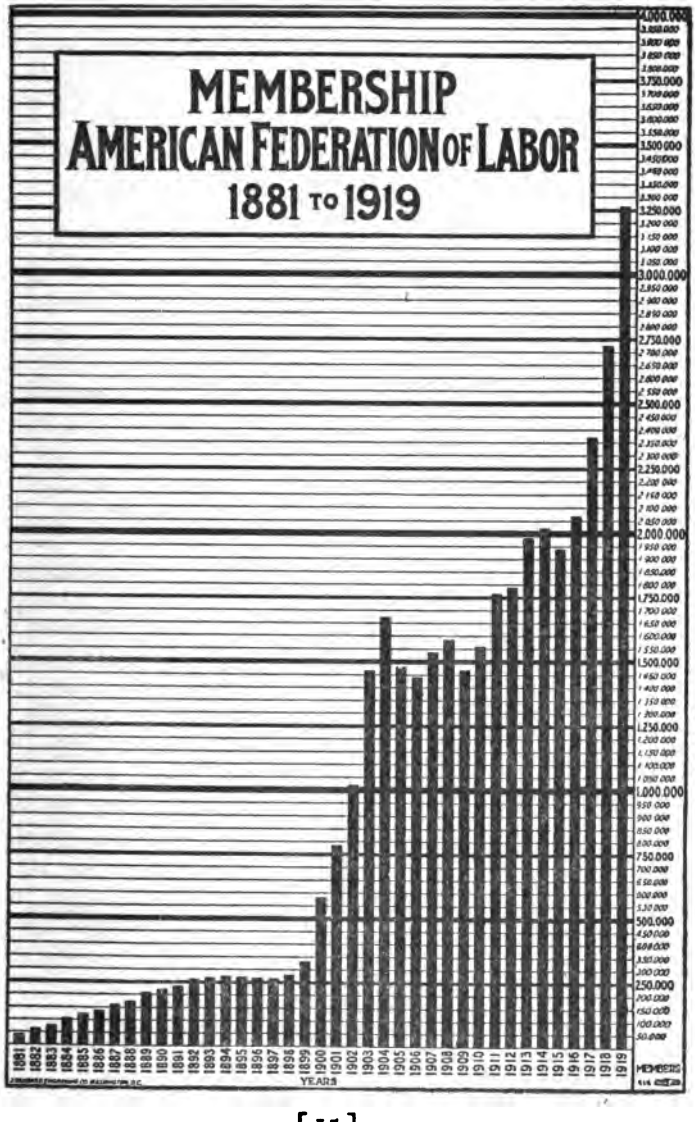
If you gentlemen can see and will say that there is nothing necessarily fundamental or spontaneous in "Labor Unrest"; that it has been deliberately worked up for years by demagogues for the sake of the power and cash in it; that "organization" has cost "Labor" say four hundred million dollars in dues, plus the cost of seventy thousand strikes, say eight hundred millions of lost wages in forty years; that nevertheless union wages lag behind both non-union wages and cost of living in respective increase, and are bound to lag more and more behind as union labor gives less and less production under union rules — you will be doing us all, laborers included, a service.

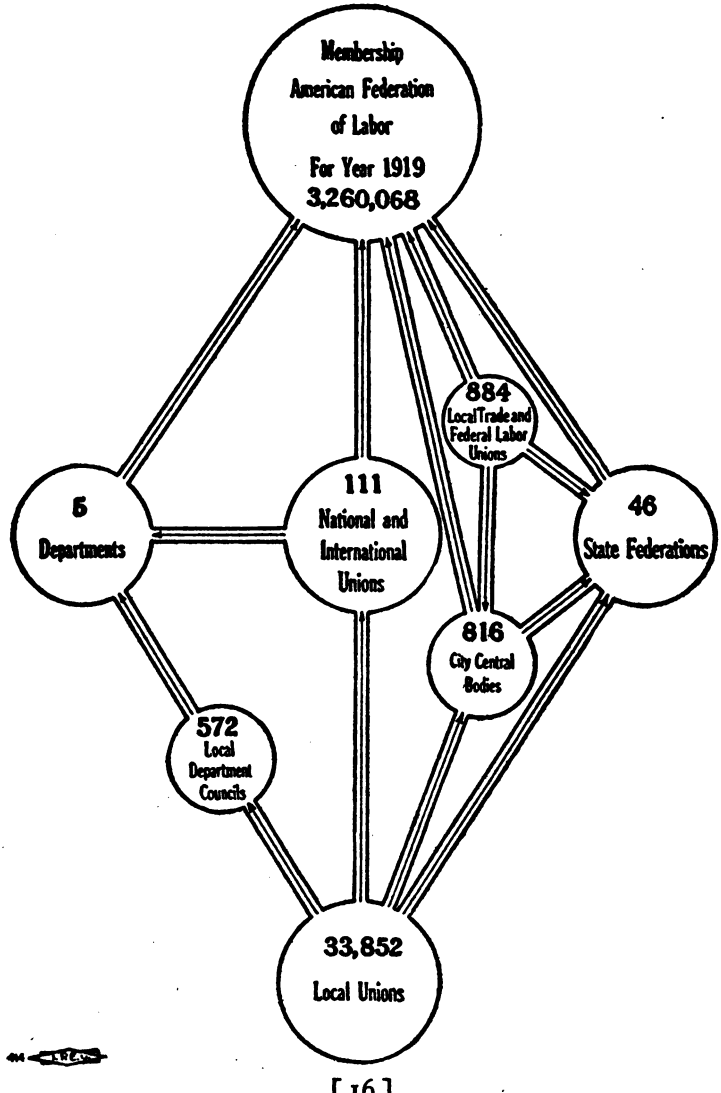
Laborers are not fools, and probably would laugh at you if you ask them to point out just *how* they are "oppressed," or made "wage slaves." They know well enough that the more employers (oppressors) the merrier; that "*Capital*," no matter how *greedy*, has never managed to grind American labor down below the level of the best paid and best fed wage workers on the face of this earth, and apparently has never tried to do so. It would make them and the rest of us, and perhaps some of yourselves, gentlemen, more content and optimistic of the future of our country to accept unreservedly our wonderfully fruitful modern American capitalism as

(with rare exception) the *legitimate* offspring of liberty and law; morally right, socially just, economically and politically invaluable — especially to that vast multitude of good honest citizens who are absolutely dependent for work upon the captains who have the brains to create and the following to finance it.

Fortunately for America the Reds in Russia, and in Europe generally, are trying out before our eyes the experiment of robbing and killing off those who work and save, those who employ men who can't employ themselves. They are repeating on a scale more colossal than ever before attempted the tyranny and waste of the state as sole employer. The foreign cables a few days ago reported that the Soviet Government in Russia has just announced a loss in operating the industries taken over by the state of so many billion roubles for the past year as to make the staggering losses of the Wilson Administration in operating the railways and wires, and commencing the airplane, shipping, nitrate, and other production, look like "thirty cents," as the phrase goes. Long before we are likely to be called to the polls to substitute state ownership for the individual enterprise reserved to us by the Constitution, we shall be pretty sure of a magnificent object lesson in noting just how far Lenine and Trotzky succeed in correcting the mistakes of the Almighty, who chose to make men differ in achievement and in reward.

When that moment arrives, if ever, I am optimist enough to back the common sense of the average voter to heed the proverb, "Let well enough alone."


MEMBERSHIP
AMERICAN FEDERATION OF LABOR
1881 TO 1919
YEARS
MEMBERS


Membership
American Federation
of Labor
For Year 1919
3,260,068
884
Local Trade and
Federal Labor
Unions
5
Departments
111
National and
International
Unions
46
State Federations
816
City Central
Bodies
572
Local
Department
Councils
33,852
Local Unions

CHAPTER III

AMERICAN FEDERATION OF LABOR. GROWTH AND INCOME

THE most obvious characteristics of Organized Labor just now are size, wealth, and aggressiveness; all of these emphasized by the partnership — perhaps a bit shaky — between the two presidents, Messrs. Wilson and Gompers. For a while it seemed as if the firm style should read the other way, — Presidents Gompers and Wilson.

The foregoing diagrams, borrowed from the A. F. L. Annual Report for 1919, tell the story at once of the great size, rapid growth, and completely centralized control of Mr. Gompers' life work, the American Federation of Labor. No financial statement is given to show the total income and expenditures of the 33,852 unions existing last year — now said to number over thirty-four thousand; but an estimate may be hazarded as follows:

Inquiry from various union men of different trades around Boston, typical of building construction, factory work, railroad and public service, operation and construction, indicates that union dues average *at least* a dollar a month per capita. If so, the 3,260,068 paying members of the A. F. L. must have paid in for the year 1919 around thirty-nine million dollars. The Report says they got back in union benefits (sickness and death mainly) $6,705,000 (strike benefits appear to be paid by special assessment, and not to come out of dues). This

would indicate a net outlay for "organization" for that year of over thirty-two million dollars, paid by the A. F. L. alone. A colossal outlay indeed!

Besides this, the four Railway Brotherhoods, which number some four hundred and fifty thousand members, probably pay in somewhere between five and ten million dollars more. It would not be excessive to guess that during the last fifty years at least four hundred and fifty million dollars have been paid in by these two groups of working men (not to mention the Knights of Labor, I. W. W., etc.) for dues alone.

From 1880 to 1905 the Commissioner of Labor, the late Carroll D. Wright, kept and tabulated in a most valuable way the statistics of strikes and lockouts in the United States, aggregating over thirty-eight thousand strikes and lockouts, affecting two hundred thousand establishments. Since 1905 the Department of Labor has kept on with these statistics, after a fashion, but not in uniform shape for totalizing (perhaps the Secretary of Labor, a trades-unionist, thinks it not wise to publish too much information about such things). As well as the writer can put together such figures as there are since 1905, there have been some seventy-five thousand strikes and lockouts since 1880, of which more than ninety per cent (say seventy thousand) were directly due to Organized Labor and were handled by it. Now the United States census estimates, as given by the New York World Almanac, fixed the industrial male population of the United States in 1917 at about forty-eight million men registered for the first selective draft. Let us concede Mr. Gompers' claim (Report, p. 474) that there are four million laborers organized, or one twelfth of our man power, yet that twelfth, according to the records of the

Department of Commerce and Labor, caused nine tenths of over seventy-five thousand strikes recorded, the unorganized eleven twelfths of the workers causing but *one* tenth of the same. Reduced to ratios, Organized Labor is just ninety-nine times as quarrelsome as unorganized labor. In other words, "organization" keeps union labor in a peck of carefully created trouble, at enormous expense both for annual dues and for wages lost in strikes; while, as I shall hereafter show, for some reason — probably inefficiency — its net earning power is steadily dropping back, in comparison with that of free unorganized labor.

This unfortunate yet entirely deserved result to union labor is directly due to militarism, to continuous and intentional warfare growing out of the gospel of class antagonism preached by Mr. Gompers and his associates; for the purely selfish purpose, established by their own records, of maintaining *centralized control of labor* in order to hold up the community.

Before leaving the Carroll Wright Report let us look at it from one more angle, — that of union activity in securing better conditions as to child labor, female labor, sanitation, safeguarding of hazardous occupations, workmen's compensation for injury, etc., all of which are loudly advertised by Mr. Gompers.

All that I can fairly admit is, that Mr. Gompers and his associates have been *mildly sympathetic* with the efforts of philanthropists and social workers as to these things, which hardly at all affect the growth and power of their great strike machinery. The latter has never been militantly aggressive, nor has conspicuously taken the initiative, on behalf of either children or women. Perhaps of

late years (since the death of Mr. Carroll Wright the Department of Labor records have been badly kept, as noted above, and do not *show*) the unions *may* have done some real fighting for these things; but out of nearly thirty-seven thousand strikes tabulated by the Wright Report prior to 1905, *not a single one was called on behalf of women, children, sanitation, safeguards, or welfare questions,* — all of which were left to the reformers to busy themselves with.

Of late (see the labor provisions of the Peace Treaty) Mr. Gompers stands for stopping child labor under sixteen years of age, for equal wages for men and women, and for stopping piece or contract work done at home in the family. All of these are excellent things; but in assessing Mr. Gompers' motive in sponsoring them I cannot forget that few if any children under sixteen go to work unless obliged to do so by their parents, — who as well as the employers are actuated by greed in working children, — and that most parents in the unionized trades must be union members. Nor can I forget that cheap child labor tends also to cheapen union wage-scales, and that the same thing is true of women's labor and of work done at home. All three thus tend to compete with and lower union wages, though all three are quite within the power of workers themselves to prevent without legislation to curb the so-called greed of employers. It would not be consistent with Mr. Gompers' record to neglect any opportunity either to block wage competition, or to saddle employers with entire blame for greed and inhumanity to children, even if largely perpetrated by their own parents. Hence, perhaps, his recent sponsorship.

Before dismissing the matter of growth we may

note that the aforesaid A. F. L. diagram shows two periods of conspicuous activity and increase,—the first from 1900 to 1904, and the second from 1917 to date. Both these periods were of intensive industrial activity, with demand for labor far outrunning supply. The reactions in business of 1904 and 1908 made it impossible for Mr. Gompers to call successful strikes just then, and the worker for a year or two afterwards felt it was wiser to keep away from strike machines. "Nothing succeeds like success." When men are scarce and employers are bidding up wages, and hasten to "come across" with a raise every time a business agent crooks his finger, it is easy for the unions to say "You see, *we can do it*"—and the workman is apt to believe them. It is different when there are four men for every three jobs, as happens occasionally.

Particularly have the unions grown by leaps and bounds since the passage of the Adamson Law in 1916, since Labor felt able to say: "Now, boys, *we* own the United States; just watch Congress and President Wilson! Sam Gompers is the *real* President of this country."

Well, as the old German adage had it, "Things are so ordained that the trees do not grow into the heavens"—sometimes they die at the top, sometimes at the root; sometimes lightning, sometimes the axe, relegates them to the brush pile. It is much the same with Presidents.

CHAPTER IV

THE AMERICAN FEDERATION OF LABOR CONSTITUTION AND APPEAL

THERE can be no more reliable evidence of the predatory theories, principles, purposes, and methods of American Organized Labor — as guided by Mr. Gompers — than the Annual Reports of the Conventions of his great creation, the American Federation of Labor. No accusation of capitalistic prejudice or unfairness can obscure conclusions based upon the votes and utterances officially recorded and put into public circulation by himself and those he trusts.

The Preamble to the Constitution of the American Federation of Labor sets forth its reason for existence in the following words:

"*Whereas*, a struggle is going on in all the nations of the civilized world between the oppressors and the oppressed of all the countries, a struggle between the capitalist and the laborer, which grows in intensity from year to year, and will work disastrous results to the toiling millions if they are not combined for mutual protection and benefit.

"It therefore behooves the representatives of the Trade and Labor Unions of America, in convention assembled, to adopt such measures and disseminate such principles among the mechanics and laborers of our country as will permanently unite them to secure the recognition of rights to which they are justly entitled.

"We, therefore, declare ourselves in favor of the formation of a thorough Federation, embracing every Trade and

Labor Organization in America, organized under the Trade Union system."

The "Objects" of the Federation are set forth in Article II of the Constitution,—the formation of local unions, their integration into central, state or territorial, national and international organizations based upon autonomy of each trade, departments covering industries, and American federation of them all; also the securing of legislation in the interest of the working people, influencing public opinion by peaceful and legal methods in favor of organized labor, and aiding the labor press.

Perhaps Mr. Gompers and his associates who framed the foregoing Preamble and have maintained it for forty years as the foundation of their great structure *believe* its gospel of class antagonism and are sincere, or perhaps they are merely rank demagogues. The reader can judge for himself from their long record in action. But the gospel itself is a *lie;* suspiciously like the original lie invented by Karl Marx, the German apostle of Socialism—though Mr. Gompers repudiates that cult. Whether Mr. Gompers believes the lie or not, there can be no possible doubt as to why he put it where it stands. His purpose was and is to arouse class hatred, and stir Labor to unite in fighting Capital. In reality, there is practically no "oppression" of Labor by Capital, and little "struggle" except that which professional agitators stir up in the course of their business.

I, for instance, am a capitalist, small or great. *You* are a laborer. *You* are looking for a job—some one to hire you to do his work, because you have not the brains, energy, and thrift to provide work for yourself. There are a great many more like you, and a very few more like me. The many

are always coming to the few for jobs; shopping around among them for the best they can find. *I* come along, having earned and saved a little money, and with others who have also saved something put up the cash to start a new factory. I then offer my new jobs to you and your friends who are looking for them, competing with prior employers for your services. If my offer is better than theirs, you take mine; if not, you take the best, whoever offers it.

In this perfectly peaceful transaction *where* is the "oppressor" or the "oppressed" of the Gompers Preamble? Am *I* your "oppressor" in offering you the choice of one more job than before? Are you "*oppressed*" by having a larger choice and keener competition for your services? Is it not "the more the merrier" with you when looking for a job? Are not a hundred such "oppressors" at least a thousand times better for you than none at all? Are you particularly conscious of "industrial slavery" when you say to me contemptuously, "No, I would not look at *your* job; I can do far better just around the corner."

To use plain language and tell the exact truth, what perfectly rotten demagogy it is to describe an entirely *voluntary* bargain—presumably beneficial to both sides or it would not be closed—as a "*struggle* between the capitalist and the laborer" which "will work disastrous results to the toiling millions"! Perhaps Mr. Gompers regards it as "*disastrous*" to the toiling millions to have any occasion at all to *work* for what used to be called an honest living, and feels that Capital owes Labor the earth, "free gratis, and for nothing."

Whatever Mr. Gompers' real opinion may be on this question of disaster, we can but conclude that

such inflammatory talk, such stirrings up of class consciousness and hatred as the above, has in practice been valuable to Mr. Gompers in his business; at least it is found all the way through the Report so often quoted herein. Note the following language: On page 71: "the arbitrary or autocratic whim of the employer . . . It is inconceivable that the workers as free citizens should remain under autocratically made law, within industry and commerce." Page 72: "There are *no* means whereby the workers can maintain fair wages except through trade-union effort." Page 83: "the labor movement . . . undertakes to protect the wealth producers against the exorbitant greed of special interests; against profiteering, against exploitation, against the detestable methods of irresponsible greed, against the inhumanity and crime of heartless corporations and employers." Again: "Unionism is the only hope of the workers." Page 407: "the things that the American Chamber of Commerce, every labor hating corporation in our country, and every institution that refuses to recognize the right of working men or women to organize have been fighting day and night."

But enough of such quotations; the Report is full of them and will speak for itself. The A. F. L. is forty years old, but it learns no charity or wisdom. Its appeal today is as it has always been,— to the meanest of human motives — envy, hatred, and malice, of class against class, here in free America, where our fathers thought to do away with class; or rather to throw every class open to every man according to his ability to attain.

I have been an employer most of my life, and never hated my labor; and my men never hated me, but followed me from one concern to another. I

never knew an employer that did hate his labor; and two thousand employers, in answering a questionnaire I once put out as chairman of a committee of the National Association of Manufacturers, testified to cordial relations with the large majority of their men. *Long association breeds friendship;* few men grow to ***hate*** each other — as you yourselves are aware, gentlemen of the press. Judge for yourselves whether the Chamber of Commerce, for instance, deserves the line of denunciation put out above; or is it mere poison injected by labor demagogues to make bad blood between workman and employer as man and man?

The game is as simple as A, B, C. Every worker who can be convinced that "Unionism is the only hope of the workers" will join the union and pay union dues.

CHAPTER V

THE RIGHT TO ORGANIZE, TO STRIKE, ETC. THE GARY CASE

WHERE there are no unions and each workman makes his own bargain with his employer (as once was universally the case), work and wages are determined by the law of supply and demand acting on the labor market; by the competition or absence of competition of workmen for the same job or of employer for the same workmen. When business is poor and trade dull and jobs are scarce, the men compete for them with each other, ask less and less pay, and wages fall. When trade is good and shops run full, men are scarce and employers compete for them, offering more and more, and wages rise.

Trade-unionism is an attempt to destroy this free competition among wage workers, with its resulting rise and fall of work and wages, and substitute collective action to monopolize work and arbitrarily determine conditions by coercion of the strike, or the fear of it, rather than by market conditions affecting labor or trade. *Combination for effecting monopoly and coercion* is the essential purpose of Organized Labor, in spite of the fact that every form of conspiracy to destroy competition, restrict production, and fix prices has been held a crime at common law for centuries.

Before considering the law, however, let us consider the moralities. Let us take a recent conspicu-

ous, concrete case — say the late Steel Corporation strike at Gary, Indiana. The "right to organize," the "right to strike," and the "right to collective bargaining" were asserted there in the largest way, under conditions absolutely free from collateral complications. Here is the story of that famous town:

Twenty years ago the eastbound trains from Chicago used to traverse the site of that present busy manufacturing community, just over the Indiana state line. It was for fifteen or twenty miles in every direction a waste of slightly rolling ridges of sand, — left probably by the gradual recession of the south end of Lake Michigan and parallel to its shore line, — divided from each other ofttimes by lagoons of stagnant water, and covered with sparse growth of rushes, coarse grasses, scrub oaks and pines. The tract was perfectly useless for farming or suburban improvement and had no river or harbor waters to permit development as a port. There was hardly a house or an inhabitant throughout the whole region. Early in this century the great Steel Corporation recognized the vicinity of Chicago as a strategic center for the manufacture and distribution of steel; convenient for the assembling of iron ore by lake, coal and coke by lake or rail; close to a great city for supply of labor; and a great railroad and lake transportation center for quick and economical distribution of finished product the year round. The corporation bought largely of these waste lands, and in two years like magic arose the great installation and dependent community that exists today.

There was not a human being on the spot until construction commenced. Every workingman in Gary *came there voluntarily* from somewhere,

bringing his family, in order to accept work and wages offered by the Steel Corporation; which were so entirely satisfactory to him that he pulled up stakes elsewhere and paid railroad fare in order to get there. There was no union at Gary—no men to unionize—and it has never been "organized." Throughout the entire life of the Gary project the Steel Corporation has been a non-union, open shop concern, the most conspicuous antagonist of the closed shop in America. The plant and the town were named for Judge Gary, head of the Steel Corporation, of late denounced more perhaps than any man in America by Organized Labor as an autocrat. Every man who voluntarily went to Gary ought to have known, and probably did know, that he was going to work in a non-union plant under his own individual bargain, and not under a collective bargain made for him by any union leader.

In order to provide the millions required to build the great plant, the stockholders of the Steel Corporation went without dividends for many years. The company held back its earnings, instead of giving them to its owners to spend, and put them into this and other enlargements of its producing properties, enabling it to employ many thousands more workingmen than before. As far as published records show, not a single workingman of all who came to Gary put one dollar of his own savings into the plant that was to give him his job. Plant and job were created, paid for, and thrown open to such workingmen as might choose to avail themselves of them, with the money and at the risk of perfect strangers, who were in no way legally or morally responsible for the workmen's existence or welfare; who were in no way obligated to offer them work and wages—to say nothing of democratic condi-

tions — either on autocratic conditions or on any conditions at all.

Nevertheless, because there was promise of profit in making steel at Gary — relying, as investors always do, upon current trade conditions, cost of raw material, transportation and going wages in the Chicago market, and upon current selling prices for product, subject to such probable changes as could be forecasted by expert advisers — the Steel Corporation went ahead, built the Gary plant, and has run it successfully ever since.

Everybody then applauded the venture as perfectly legitimate, useful, bringing population and prosperity to an empty wilderness. The press and the politicians joined in welcoming its promoters. Many thousand workmen and their families came to Gary and *remained.* The town, largely built by the Corporation, was well planned and constructed; in many respects remarkable. The school system developed there, for instance, has in these few years been copied all over the land. The plant made a lot of steel; the men and the Corporation made a lot of money. Everything and everybody — except a politician now and then — went humming along, peaceful, prosperous, and contented.

There was one big fly in the ointment — and that in Mr. Gompers' pot. "Gary," like "Homestead" and other great plants of the Steel Corporation, was not "organized." Judge Gary was so "damned autocratic" that his workmen by the tens of thousands were actually free to make their own individual bargains for work and wages without paying dues to "representatives of their own choosing" to bargain collectively for them.

In fact, they were *not choosing any representatives at all;* were dealing direct with their employer,

and, worst of all, were making more steel and more money than union law allowed. More damnable yet, the Steel Corporation was doing all kinds of welfare work for its employees and was helping them to *save* their money, and *invest it in the stock of the Company*, or to build and own their own houses — all of which are accursed contrivances of the devil to make the workingman content with his job, independent of union benefits, and interested in the prosperity of the business that supports him. The great size of the bodies of workmen employed by the corporation; its conspicuous avoidance of Mr. Gompers; the big wages earned by its men (see Annual Report United States Steel Corporation, 1919, showing average wage paid per man for 1914, $677; 1915, $925; 1916, $1042; 1917, $1296; 1918, $1605; 1919, $1902), all without collective bargaining; the rate at which they were buying the company's stock — namely one hundred and sixty-seven thousand shares this year (1920), which in ten years will well make the employees own *half* of the whole enormous concern! — all of this public and successful defiance of trades-unionism was the worst possible advertisement for its ruling spirit.

Last, but emphatically not least, there was the exasperating thought that to "*organize*" the Steel Corporations two hundred and sixty-eight thousand men — including Gary and all the other plants — would *pay the organizers* (assuming the Chicago figure of 1903 of two dollars per man unionized) *over half a million dollars*, and bring in to the union treasuries monthly dues of say one dollar apiece, or over three million dollars per annum! A lot of well-salaried officials might draw pay for running the twenty-six big unions involved!

Under these compelling considerations, whether

as human being or labor leader, who can condemn Mr. Gompers for feeling that he *must* unionize the Steel Corporation or "bust"; or for choosing as the psychological moment for the adventure the year 1919, when he might reasonably have thought he had the Administration at Washington in his breeches pocket, with general elections coming in 1920.

Also, he had kept organizers at work in the Steel Corporation plants for some time, and had succeeded in unionizing perhaps a quarter of the employees, — mostly non-English speaking aliens, — so the newspapers said at the time. Perhaps he had some doubt about cutting loose from President Wilson, and about his entire preparedness to strike; but he was driven to it by fear that the unions, under younger leaders, might strike and get away from him his personal control. Anyway, he sanctioned calling a general strike in the steel industry, aimed particularly at the Steel Corporation.

Perhaps, though a wonderfully astute agitator, his head was rather turned, as was President Wilson's, by the dizzy success of his foreign reception in 1918 — after four years of unprecedented power here. At any rate, when he got back, late in 1918, he notified the Pan-American Labor Conference at Laredo, Texas, that Labor never would give up the high wages and short hours that prevailed during the war, no matter what happened to business. The Federation and the Railway Brotherhoods accepted and followed this lead during 1919 in an incipient railway strike, the longshore strike, the "Plumb Plan," the steel strike, Boston police strike, coal strike, etc.; while the I. W. W. worked up the Seattle strike in February of that year, on its own hook.

Coming back to Gary, we know what happened. The President, a better politician than Gompers, had had time to take notice of symptoms of popular drift away from "Labor"; to sense growing wrath at the Adamson Law and rebellion against heavier burdens on the taxpayers, also against strikes aimed at public service; to estimate as a political factor the instant, widely voiced approval of Calvin Coolidge and Ole Hanson — reflected in Congress and the press. He refused to go along with the Brotherhoods and the Federation. He no longer wrote, as he once did, of Mr. Gompers — "I like to match my mind with a mind that can work in harness." When the steel strike came to a showdown (perhaps to kill two birds with one stone, an unpopular strike and a popular Presidential possibility), he directed the United States Army, under command of General Leonard Wood, to maintain law and order in the steel and coal regions. This simple constitutional order — the prevention of violence and sabotage and the protection of all men, union and non-union, in the peaceful enjoyment of their freedom to work or not *as they chose* — General Wood performed so quietly, so justly, and so well, as to command the admiration of the country, union labor included. Whereupon — as always happens with simple maintenance of law and order, mere prevention of violence and sabotage, mere freedom of the individual working man to do his own bargaining and voluntarily accept the best job in sight — the great steel, coal, and railway strikes, one after the other, *collapsed.* There will perhaps be an aftermath to the settlement of the coal and railway strikes, since government commissions have intervened to settle wages; probably an unavoidable aftermath, as to which I offer no criticism. There

should be none, however, to the steel strike settlement, in which government and Gompers took no hand; in which case hats must come off to Judge Gary.

Such is the history of the Gary strike; now, then, for the rights of it. Mr. Gompers is strenuous as to *rights*.

There can be no doubt that *I*, for instance, have perfect moral and legal "right" to save money and put it into a steel plant or any other plant for any useful, lawful purpose at Gary or anywhere else; and that having done so I have an equally unquestioned "right" to offer work and wages under any lawful conditions to you individually, to ten thousand of you collectively, or to no one at all. On your part, individually or collectively, you have unquestioned "right" to accept or refuse work and wages as offered.

You have likewise unquestioned "right to organize," to join a trades-union, or not to join, as you choose. You are a free American, and you have unquestioned "right to strike," to quit work, individually or collectively, at any time, providing you break no agreement in so doing. Mr. Gompers' loud demands for the "right to organize" and the "right to strike" are the merest camouflage, intended to fool the public, and entirely uncalled for; because *no one*, even Judge Gary, has ever denied them. The most smashing proof of that fact lies in the diagram printed in the 1919 Report of the A. F. L., showing 33,852 unions actually organized and cross-organized to an amazing centralization; and in the record of over seventy thousand strikes called by Organized Labor since 1880, contained in the Bulletins of the Department of Labor at Washington. One might as well deny the force and operation of

gravity as to deny the existence and wholesale exercise of these "rights."

Conversely, but consistently with them, I have no "right," and there exists under our free institutions no legal or constitutional power, to compel *you* to work for *me,* or to take my wages, individually or collectively, just as you have no "right," individual or collective, and there exists no legal or constitutional power, to compel *me* to offer work and wages to *you* or to any one, on any conditions whatever.

In fact there *cannot* be such a thing as a *right to bargain,* individually or collectively! A *bargain* is a *voluntary agreement* between two or more parties, the essence of which is that the parties *freely* reach a *common* understanding. Neither party can possibly have any "right" of any kind compelling or growing out of a *bargain* unless and until that bargain has actually been made; until voluntary agreement has actually been reached. Neither party has a "*right*" to demand, though common sense and courtesy usually concede, even a preliminary conference for the purpose of proposing a bargain. Either party may decline even to negotiate.

That is precisely what happened to Mr. Gompers when he said to Judge Gary: "You have been dealing direct with your men for many years; now we have unionized them and you must deal with them only through *us,* their chosen representatives —or we will strike the entire steel industry." Judge Gary answered: "Whether you have unionized our men we doubt; but we have dealt direct with them for many years to our own and apparently their satisfaction; so we do not care to deal with them through union organizations at all; we have had trouble enough with unions long ago. We shall continue, as of late years, to offer work and wages

to workmen individually. They are entirely free to refuse or accept, just as they see fit. We hope and believe many will accept; but in any case we courteously decline to negotiate with workmen through trade-unions. Our experience warns us against so doing."

Mr. Gompers then appealed to politics against Judge Gary as "autocratic." But—*what is there of autocracy* in *offering* jobs direct to men who are entirely free to *refuse?* and free to starve!

It is only in recent years that Labor leaders have invented such catch phrases as "right to organize," "right to strike," "right of collective bargaining," "autocracy of capital," "aspirations of Labor," "democratization of industry," etc.—all brand new, whose effectiveness as slogans of demagogy, whose appeal to the average unthinking, liberty-loving American, must indeed be conceded, and can hardly be overestimated. These slogans have been sounded only since the action of the State and United States supreme courts in successive decisions has gradually built up growing barriers to the plain old-fashioned *coercion* practiced by organized labor,—barriers which more and more tend to shut out coercion altogether. Without coercion, as Mr. Gompers well knows, his kind of trade-unionism would soon die a natural death. Hence he and his associates have logically been driven by force of events—as well as by personal ambition—to reach out from the domain of labor to that of politics; for sanction of law, as well as official power, to carry out Labor's coercion of Capital. Originally, the unions did not bother with public opinion or slogans, but frankly relied on what Wall Street calls "nuisance value" to bring employers to terms.

At Gary, for instance, there is an investment of

fifty million dollars or more,—I do not know,—with many thousand men peacefully at work who had been glad to take and keep for many years the jobs offered by the Corporation. The organizers of the A. F. L. came along and said to the men: "You are fools to work for Judge Gary on his terms. Here you are all right together, where it has taken the company years to locate and train you. It would take it as many more years to break in a new force if *you* should quit. Meantime these great plants in which it has put millions would be idle, and it would lose enormously. It can't get along *without* you; and it can't afford to *fight* you. All you have to do is to join the union, and leave it to us experienced leaders, backed by all the iron and steel workingmen in America, to bring these autocrats to their knees. You can strike and take a nice vacation for a few weeks; and we will see to it that you get pay for your full time just the same, beside shorter hours and longer pay checks when you go back to work. The Steel Corporation is rich and can stand it. Also, you can choose your own foremen in future and make your own working rules, if you don't like those you have. Be men, and have something to say about your own jobs. Labor is king. Teach Judge Gary a lesson."

Now, to organize and strike is entirely within the right of the workmen at Gary, and Homestead too, provided that they keep all contracts, individual or collective, under which they accepted work and wages. At both plants, most likely, they work largely by the day or hour, and are perfectly justified in quitting without notice, one by one or all together, if they think it to their interest to do so. That is one of the chances a corporation takes in putting millions into a plant, that it may fail to get

labor; also, in employing by the day, that labor may quit any day. The laborer, too, takes a like chance, that the corporation may shut down work, or lay him individually off any day. Both parties are gambling on the *necessities*, each of the other; and if both keep their agreements up to the time they *end* them, there is no moral or legal right or wrong involved.

But *coercion* is different. Wrong is done, courts enjoin, soldiers entrain for Gary, and Mr. Gompers rages against "autocracy" and injunctions, and demands democratization of industry, when — as invariably is the case — union leaders serve notice on all concerned as follows:

"You are out on strike. The union will see to it that no man takes the jobs you men have struck on; the jobs *belong to you*, and no one else, especially no non-union man, shall take them. Our picket line will see to that; and also that no non-union material goes in or out of this place. *This business must come to an absolute standstill*, no matter what loss to it or to non-union labor is involved, until such time as its boss walks up to the Captain's office, settles, and reëmploys you men; this time not on *his* conditions but on *yours*."

Right there on the picket line is where law and order come to a show-down. Clearly, the pickets can stop the passage of men and material only in three ways: by persuasion, by abuse (the odious epithet "scab"), or by violence. Only the first is lawful; but all three are almost invariably used. Breach of peace and often loss of life result, and the courts, the police, and the military are necessarily called in. It is well understood from years of experience that unions seldom successfully coerce when no picket lines are established, or when

police or military keep the peace and protect all who come and go along the picket line. Therefore, local courts are often appealed to *in advance* to enjoin the pickets from violence and abuse; and judges frequently grant the injunctions asked for. Occasionally a judge has enjoined picketing altogether, as sure to provoke violence; but usually courts enjoin only against violence and abuse, recognizing "picketing with peaceful persuasion" as lawful use of the streets and constitutional freedom of speech.

Now, no one, even the trades-unionist, has the gall to assert that the courts, the police, or the military do any *wrong,* or anything more than their sworn duty, *in keeping the peace, maintaining law and order,* and the free use of the public streets to all comers; or that the "right" to organize and to strike includes the "right" to beat up a non-union man; or drop a monkey wrench into an "unfair" employer's fast-running and costly machinery. The union leaders always vehemently deny and disown all encouragement of and responsibility for violence and sabotage. But the bitter and constant attacks upon the courts by Organized Labor because of so-called "government by injunction"; its attempts at the polls to defeat or to elect legislators and judges, so as to warp the law or its interpretations (see A. F. L. Reports 1918 and 1919); its habit of hiring counsel to defend union men arrested for criminal violence (for instance, Mr. Gompers raised fifty thousand dollars to pay Clarence Darrows' retainer in defending the McNamaras, the notorious dynamiters of the Los Angeles *Times*); these actions speak louder than words to attest the paying value, if not the absolute necessity of terrorism, in strikes. As Allan Pinkerton testified in a Pennsylvania court during the famous "Mollie McGuire"

murder trials, a generation ago, "Organized Labor is organized violence."

There is no need to go back a generation or a day, as it happens, for confirmation of Pinkerton's words. As I write, May 20, comes the newspaper account of the killing—it looks like the murder—in a West Virginia coal mining town of several members of a private detective force employed to evict striking union miners from the company's houses. The district has been non-union, and there has been trouble before from attempts to unionize it. But why did that mining company feel obliged at great expense to bring in armed men to guard its property and remove from its premises men who refused to work in its mines? Why was the Attorney General called on to put the coal and steel regions last fall under the restraining presence of the United States Army and General Wood? Why was the Governor of Kansas and of Massachusetts obliged to call out state troops, and the Governor of Pennsylvania to summon constabulary this year and last, during coal and railway strikes—to name but the more conspicuous disturbances of recent months?

The answer is always the same: for fear of riot resulting from strikes. The strikes themselves result from the organization of labor, which results from Messrs. Gompers *et al.* Q. E. D. There can be nothing accidental about so constant a phenomenon. You know as well as I do, and as the public is finding out at last, Mr. Gompers to the contrary notwithstanding, that Pinkerton was right, when he said, "Organized Labor is organized violence."

CHAPTER VI

"HUMAN LABOR NOT A COMMODITY OF COMMERCE"

THIS brings us to consideration of another recent discovery of Mr. Gompers, evolved and enunciated in the course of his fight against our judges for enforcing the laws against combination in restraint of trade; namely, the principle "that in law and in practice it should be held that the labor of a human being is not a commodity or article of commerce."

This rather cryptic principle sets forth what labor is *not*, — but does not define what it *is*. Mr. Gompers succeeded in having a declaration of this principle embodied in the Clayton Act of Congress in 1917 or 1918, and in "Labor's Bill of Rights" in the League of Nations Treaty. Its intent and application are somewhat elucidated in a further provision of the Clayton Act, also sponsored by Mr. Gompers, excepting laborers and farmers from the guilt of and penalties established for combination in restraint of trade, imposed on all other classes by the common law and the Sherman Act.

Let me at this point once more sharply draw the distinction between what might be called lawful or *negative* coercion — the free action of the law of supply and demand; and unlawful or positive coercion — combination to prevent such free action.

If you are the only workmen to be had, and you choose to strike, I simply *must* employ you on your own conditions or my plant must be idle. I am

coerced all right, but lawfully, by the law of supply and demand, if I wish to operate.

If, however, there are plenty of men to be had and you strike, but scare others away from my plant by drawing a picket line around it and threatening to "knock their block off" if they try to pass, again I am coerced, but this time *unlawfully*. The "right to strike," peacefully to quit work, does not include the right to force or scare others from working. This is a free country.

A free people, moreover, has the right to protect itself. Under the common law, the noble evolution of ages of self-government and respect for justice, it has been recognized for centuries as criminal and against public policy that groups of men should "combine" against the people in restraint of trade, to restrict the production or enhance the price of food, clothing, or other commodities of commerce. It was apparent that, in the nature of things, comparatively few of us are engaged in supplying any given commodity to the crowd generally; and that by conspiring together a group could, and in fact did, exact unduly high prices for their specialty to their own unfair advantage over the community. The common law therefore rightly prohibited such conspiracy, and many statutes have been passed in the United States — notoriously the Sherman Law — to stop it.

At the very beginning of trades-unionism it became evident that organizing strikes was in fact conspiracy to limit the supply and fix the price of labor in restraint of trade; always to the injury of the buyers of the particular commodity produced by the labor, and frequently, as in railway, public service, coal, or food supply strikes, to very grave injury of the public. Employers very soon began invoking the

protection of the courts by virtue of the aforesaid laws; and a series of decisions of both British and American judiciary have established that laborers, like merchants, cannot lawfully conspire together to restrain the free action of others, even by acts which might be perfectly lawful if done individually in the exercise of personal liberty. Such acts are, for instance, the declaration "we don't patronize," the establishment of a picket line, etc., or other concerted action or conspiracy in restraint of free labor competition, or free operation of the laws of supply and demand.

Mr. Gompers and the Federation of Labor having been beaten in the courts have sought relief from the penalty of the law in politics. (See Reports of the A. F. L. for 1918–1919.) They have threatened judges with defeat at the polls for decisions against labor; so far apparently in vain, it is pleasant to note. With Congress they have done better, as it has obeyed orders in passing the Adamson Law and the Clayton Act, above mentioned, which last excepts labor and farmer combinations, while holding all the rest of us guilty of crime if we combine to restrain trade.

The immediate intent of the declaration that the labor of a human being is not in law or in practice a commodity or article of commerce, is that judges may no longer enjoin or punish picketing, the boycott, or other combinations intended to cut off material or labor supply, as in restraint of commerce or trade.

Of course they are so meant all the same. For instance, my coal dealer may not lawfully combine with other coal dealers to restrain trade and fix prices of coal, and I can enjoin him or punish him in the courts for so doing.

But under the Clayton Law the coal teamster's union may combine to stop or raise the price of coal delivery. I cannot enjoin or punish them for so doing, because human labor is "not an article of commerce," and therefore stopping teamsters' work is *not* a restraint of trade. The teamsters are not guilty. Meantime, what becomes of *me?* What use is it to buy a ton of coal if I cannot get a man to put it in my cellar?

What is to prevent the coal miners or the railway brotherhoods from conspiring at any time to stop coal and food supply, or the pumping station engineers from stopping water supply, for thousands or millions of fellow citizens, until we perish with cold, hunger, or thirst; or else give up to the conspirators such cash or privilege, or both, as they choose to extort — all, mind you, without an atom of responsibility or risk of one cent's penalty for the colossal cost and misery entailed, imposed upon either leaders or laborers?

We may remark in passing that no law ever passed by servile politicians shows more contemptible cowardice on the part of the *mis*representatives of the people, in Congress assembled or elsewhere, than the provisions of the Clayton Act passed at the request of Mr. Gompers; yet they were hardly noticed at the time by you gentlemen of the press, to whom I am now displaying their purport. They have not as yet been brought to test by the United States Supreme Court. When that test comes, though I am not a lawyer, I have every confidence that they will be invalidated as unconstitutional. They have already been ignored by the United States Circuit Court, Eighth Circuit, in the Coronada Coal Case. I call your attention to the A. F. L. Report for 1919, which truly says of it: "This decision is far reaching

and of vital importance to the organized labor movement of America. If the decision of the Circuit Court is affirmed by the Supreme Court of the United States and stands as a principle of law, the existence of every national and international union is endangered." (See Report, page 100.)

The decision referred to awarded a verdict of six hundred and twenty-five thousand dollars against the United Mine Workers, for conspiracy with certain unionized mine owners to interfere with the production and commerce of other owners who followed a non-union policy, by means of strikes and attendant violence.

It is absolutely true, as the Report says, that "the existence of every national union is endangered" by this decision. Every one of them is, and always has been, guilty of conspiracy to interfere with production, attended with varying degrees of breach of law. But for the purposes of this chapter I think the reader will require no further proof of the *deliberate* crookedness and irresponsibility of Mr. Gompers' great machine than reference to his own 1918 Report, his action of 1918 in procuring by the Clayton Act attempted immunity from the consequences of crime; and finally the following quotation from his 1919 Report — reciting the defenses set up in the Coronada Case by Organized Labor, as follows:

"The United Mine Workers contended:

"1st. That our unincorporated labor-union is *irresponsible* in the eyes of the law, and cannot be held in damages for the acts of its members.

"2nd. That the Bache-Denman Strike and alleged riot was a purely *local* affair, with which the international organization of the mine workers had nothing to do.

"3rd. That the union rules forbade violence by the mem-

bers, and that if members of the union had disobeyed these rules the union was not responsible."

A perfect example of "pleading the baby act," is it not?

NOTE. Since the foregoing was written, a very interesting case of restraint of strike by injunction has developed at the works of the United Shoe Machinery Company at Beverly, Mass. The unions are obeying the injunction, outwardly at least, but are considering, as I write this note, calling a general strike of other unions in other industries, as a protest against the court action in this case.

It is cited at some length in a subsequent chapter on Collective Bargaining.

On June 20, 1920, a very important case was decided in the Amalgamated-Clothing-Workers Michaels-Stern & Co. litigation at Rochester growing out of the attempt of the Amalgamated to shut the United Garment Workers (the union affiliated with the A. F. L.) out of the Michaels-Stern shop by force and violence. The court upheld the right of the Amalgamated to organize the shop against the other union, but not the right to force things by combination and violence. Heavy damages were awarded the employers (who apparently had made a collective bargain with the United Garment Workers) against the Amalgamated, notwithstanding the Clayton Act. The individual members of the union were not held liable, however.

The decision will not be welcome to Organized Labor, nevertheless; it cuts too many ways. Union funds were held responsible, and the acts of a labor-combination were not shielded from criminality by the Clayton Act.

CHAPTER VII

CENTRALIZED LABOR CONTROL. CENSORSHIP OF THE PRESS

ABSOLUTELY centralized, militant control of all labor, and eventually of government, in the hands of a small compact group, so far dominated by himself, has been Mr. Gompers' most conspicuous and consistent policy since the foundation of the A. F. L. forty years ago. For proof of this see the oft-quoted Report of the A. F. L. for any year (say 1919, at pages xxviii to xxxii) showing how every detail of vital action of the local unions, though based upon referendum vote in most cases, is subject to ultimate control of the Executive Council of the Federation (see also page 447). The diagram on page 63 of the Report is a forcible visual presentation of this centralization of power, and shows presumably its evolution through years of consistent application of the principle "all for one, one for all" (diagram reproduced *supra*, Chapter III).

We Americans are so jealous of centralized power in our politics that a mere reading of this Report ought to make us react vigorously against the same evil in our industry. That it *is* an evil of the first magnitude appears more disastrously from day to day as the newspapers record current illustrations of it. Gompers and Company have but one object and *always the same,* to force settlement of all labor matters into collective central control, ofttimes through governmental mediation or arbitration; be-

cause political pressure *comes cheaper* and gives better results than long-drawn strikes. Certainly they have got the country to the point where the President, Congress, the Governor, the Legislature, the Mayor, the City Council, one or all of them, *expect* to be called in to mediate or force settlement of a constantly more stubborn succession of strikes, contrived by ever growing and more rapacious unions, always at the cost of the public. It would be ridiculous, were it not so outrageous, that our overworked national, state, and local executives are thus forced to waste time, meddling between buyer and seller of labor. It is perfectly plain that it is enormously profitable to Gompers and Company to keep buyer and seller of labor in continual hot water, and consequently that political meddling will always be called for, yet never yield permanent results in the way of peace.

I imagine that in organizing the Federation Mr. Gompers took the unions as he found them, carpenters, blacksmiths, plumbers, etc., each trade by itself organized into local unions; first integrating say the local carpenters into a national organization, then the blacksmiths, etc., recognizing the *autonomy* of each trade. Probably he *had* to do so, and to respect the power of each leader over his own craft. Then he federated these national unions into a national federation, with local federations and departments to cover various local and jurisdictional relations, I fancy, that are immaterial here. This mode of *unionizing by trades* extends each national union horizontally, like a great spider web, across all the industries, however diverse, which employ members of the same handicrafts.

For instance, a typewriter factory I once controlled was suddenly "organized," and I found I had

to deal with *six* unions — blacksmiths, machinists, screw machine men, metal workers, polishers, japanners. The same unions, and others, had members at work in a neighboring ice machine factory, a saw factory, a reaper works, an electric switchboard works, etc. So, when strikes were called, my settlement was tied into settlements with all these in a way that created an impossible situation for *me*. It will readily be seen, however, that this arrangement is positively *ideal* for throwing *all* the settlements with *all* the factories into the control of the Chicago Federation of Labor — thoroughly *centralizing* it. Not one of the factories could quietly settle with its own men without interference from the Federation, because, the latter said, of settlements pending with others. *Of course* this magnified the influence and importance of the officials of the Chicago Federation. Extend the same autonomous trade organization over great national industries like steel, coal, and railways, and you hugely magnify the power and importance of the American Federation officials. *They* will never voluntarily throw away one atom of that power and importance.

The unions are practically forced, in order to magnify the value of unionization, get in more members, increase their strength, and collect more dues, to deny every right to the non-union workman of the same trade. Union men must combine against him, refuse to work with him, keep him out of a job, call him and his family "scabs," slug him when the time comes, if a little slugging seems advisable.

Rival unions in the same trade are not permissible. Every union must be "chartered" by the national body of the same trade, or be "outlawed" by the latter, which refuses to work with "outlaws." The Federation, for instance, *outlaws* the I. W. W. and

will have no work or dealings with it. It can be readily seen that Mr. Gompers and his lieutenants would rapidly lose control and prestige if there were large and powerful independent unions to *compete* for work, wages, and political favors with the Federation unions. Precisely the same motive evidently influences their attitude to State Socialism and Bolshevism. Each would abolish Capitalism, each would set up a form of government that would swallow up "Labor." The occupation of labor leader, the handling of millions of labor union funds, the near-control of vast industries, and the marshaling of thousands of votes would vanish at once. Mr. Gompers' great creation, the Federation of Labor, would disappear—*unless* he could expand it quickly enough to control a majority instead of less than a tenth of the electorate and capture the State. Even so, it would disappear *in* the State, and other interests than those of labor would develop and create a situation harder to control.

For it may be remarked in passing, that in unionization, laborers are actuated by one main and constant motive instilled by their leaders—namely, more pay for less work—whose *simplicity* makes labor politics almost child's play compared to the man's job of party politics, with its countless cross currents, shifting issues, racial and regional causes.

But to come back to Mr. Gompers: In order to hold the union men firmly, to keep absolute control, he has always fought the "open shop," and opposes every form of individualism, of wages based upon output,—such as piecework, bonus or premium plans, "scientific management," "speeding up,"—that is, every means by which a strong and skillful workman can individually earn much more, can pile up a better output and pay check, than a slow

man beside him, because such extra earning tends to make the fast man independent, unwilling to strike, — to tie him to his employer and his job. Gompers fights for the same reason every form of profit-sharing, of assisting laborers to save and buy stock in the business, as the Steel Corporation does. He is said, though this I cannot vouch for, even to oppose laborers' ownership of homes near factories in country towns, because that too ties them to their job, makes them slow to strike, — too peaceful and industrious.

Again, he fights employers who take signed contracts from their men for a *term* of employment, because *that* ties them. He opposes direct conference between employers and their own men before or in case of difficulty between them, demanding always that *union* officials alone shall represent the men in conference. He fights compulsory arbitration, as under the new Labor Court in Kansas, which can overrule the Federation's call for a strike. He fights the recent movement among employers to encourage workmen in each establishment to elect, as an independent unit, not tangled into unions, a "shop committee," that can meet and confer regularly with the management on all questions of hours, wages, conditions, and practice; thus affording the so-called personal contact, which tends to promote friendly relations and confidence and head off strife between employers and employees.

Most of all, Mr. Gompers fights uncompromisingly all legislation that in any way limits his centralized power. For instance, he quit the first Industrial Conference called by President Wilson because the employers' group would not recognize his Federation as *sole bargainer* for labor, but stood firm for the "open shop," and the right to bargain

direct with any laborer who might choose to deal that way.

He is now fighting the recommendations of the second Industrial Conference because they would unionize each *establishment by itself* as an *industry* (not tied by numerous federated trade-unions to other establishments), and at the same time would create shop committees for frequent conference and friendly relations with management, touching all questions of wages, hours, conditions, etc. All cultivation of friendly relations Gompers considers a menace to the labor unions — *as indeed it is* to *his kind* of centrally controlled unionism, which is *intended* to keep the laborers hostile and on strike. Mr. Gompers objects also to the conference's plan for prevention of strikes by requiring submission of differences to regional labor courts of adjustment, because he says such machinery is *superfluous*. He says that his Federation of Labor is all the machinery that is needed for the preservation of industrial peace, and that *it* "functions perfectly," whenever the pig-headed employers do not refuse its kind offices. The lion lies down with the lamb — *inside!*

Of course, if the employers simply obeyed whenever the Federation spoke, there would be industrial peace, deep peace, no wage controversies, and probably not much wage to controvert. Mr. Gompers runs true to form for centralized and militant control of labor. He does not really want *peace*, but war and conquest; organized labor always conqueror, himself and his group always dictators.

I hope I have shown above that, in their very nature, these great national and international strike machines, the local Federations and the American Federation, tying many thousands of unions together in colossal centralization, are in practice absolutely

incompatible with quick settlement or permanent peace. If further proof of this be needed, the accounts of any important strikes in the daily papers — whether purely local, such as the Boston police strike, or the current (March 31, 1920) New York Ferry strike; or widespread, such as the 1919 steel and coal strikes — will furnish it. They sooner or later disclose Mr. Gompers' interference, intriguing always with the political powers, local or national, to force employers to some mode of settlement involving recognition and participation of union machinery, always repudiating direct settlement with the men, *as individuals.*

The great steel strike, for instance, was called to force Judge Gary to confer, not with his own men as he was ready to do, but with Messrs. Fitzpatrick and Foster, for twenty-six international, federated unions, claiming to act for *all* labor in every steel works in America. Verily a magnificent claim, only disproved by the dead failure of the whole huge bluff as soon as maintenance of law and order by General Wood permitted a "show-down"!

As I am writing these words (April 4, 1920), New York press dispatches tell of the Jersey Ferry-boat strike, called because the Erie Railroad proposes to sell some unemployed boats to a private owner who may possibly refuse to be bound by the Adamson eight-hour law, as the railways are; a "grievance" connected in the endless chain fashion beloved of labor leaders with some dispute between the United Fruit Company and the longshoremen; a snarl likely, so say Mr. Maher and Mr. Healey, to develop into a national strike of six million trades-unionists, plans for which, says the union spokesman, will be submitted to Mr. Gompers and the Executive Council "for guarantees that the eight-hour day

will not be done away with." This explains New York dispatches of March 31, which tell us that "an effort will be made in Washington tomorrow to end the coastwise strike, when representatives of both factions will meet in the office of Secretary of Labor Wilson."

Compare with the above Chicago dispatches of same date, viz.: "Nelson and Spangler, department of labor mediators, arrived today from Washington to attempt settlement of the strike of nine hundred members of the Live Stock Handlers Union, which has thrown nearly ten thousand men out of work. Meantime, stock normally destined for Chicago is routed to other packing points. Chicago packers usually pay out $3,000,000 a day at this time of the year for live stock, and this business has stopped. A shortage of fresh meat has brought about a sharp advance in prices. No pork was offered in today's market."

Always Washington, Washington, Washington! And in the background or foreground, as the case may be, always Gompers, Gompers, Gompers!

A few days later Chicago dispatches of April 5 report several thousand "insurgent" switchmen on strike, likely to cause a shutdown next day of packing houses employing fifty thousand men, but add that the Brotherhood of Railway Trainmen will shortly discipline the insurgents and permit the railroads to run again.

(By the way, what fun it must be to try to run a packing house in Chicago, with cattle-feed strikers on one hand, switchmen strikers on the other, the Attorney General trust-busting in front and profiteer-punching behind, the people damning you because you don't keep the price of beef down, and the farmers because you don't keep it up!)

So, not long ago the A. F. L. was disciplining the "insurgent" or "outlaw" printers in New York. As far as these efforts of the great international unions go to carry out their "collective bargains," they constitute the one commendable deed of Organized Labor I have been able to cite. But, unfortunately, even the Federation does not seem able to *enforce* discipline if its orders are momentarily unpopular with the men concerned. That was the case also in the recent soft coal and steel strikes.

But why pile proof on proof of centralization and its evils? The great net fact that stands out from the whole huge welter of confusing evidence is, that the greater the centralization and federation of the unions, the bigger and costlier the strike, the more confused and conflicting the interests involved, and the slower and less lasting the peace that eventually is bound to come whenever the workingmen have *spent their money* and are forced to earn again or starve; when, in other words, the moment arrives for the law of supply and demand, which Mr. Gompers says no longer applies to labor, quietly to resume control.

That law is the only final arbiter, the only just and impartial judge, the only real friend of the workingmen, the only foundation of industrial peace and commercial prosperity, if the evidence we have before us can be depended on.

An amusing conflict between Mr. Gompers' theory and practice in centralized control of all labor cropped out during the joint debate on the Kansas Industrial Court between Governor Allen of Kansas and Mr. Gompers, staged at Carnegie Hall, New York, May 28.

Mr. Gompers, as always, vigorously asserted the unlimited right of the laborer to strike, "the right of

a freeman to dispose of himself, of his labor and his labor power." Governor Allen quietly asked him "who then had the *divine right to forbid the switchmen to strike* in the recent "outlaw strike," who then "controlled this divine right to strike"? Mr. Gompers replied he would *like* to answer *if he had time.*"

Voices from the audience shouted "You can't." Governor Allen's questions are abundantly answered, however, in the Laws of the Federation of Labor. (See the oft-cited Report for 1919, pages xxviii to xxxii.)

Another illustration of autocratic centralized control of Mr. Gompers' Federation, and this a most important one, occurs in the testimony of Mr. E. J. McCone of the Buffalo *Commercial*—a paper that runs non-union—before the Senate News Print Investigating Committee, at Washington, May 3. He charged that the International Typographical Union "through censorship by the shop-chapel kept articles unfavorable to Organized Labor out of most newspapers." He said that his own paper and the New York *Times* were the only two Eastern papers to print certain parts of Judge Gary's testimony before the Steel Strike Investigation Senate Committee, and that the Buffalo *News* had, after putting the story in type, been forced to change it under pressure from the shop-chapel. He further cited the *oath*, binding members of this union, swearing "fidelity to my union and its members, above any other obligation, social, political, religious, fraternal or otherwise."

You, gentlemen of the press, will know whether this serious charge is true, and it will be a matter of honor with you to vindicate the freedom of the press. I call your serious attention to Mr. McCone's address before the 1920 Convention of the National

Metal Trades Association, in which he repeats, with great detail of supporting evidence, the charge that the press is almost solidly *muzzled* by the Typographical Union on the important subject of the "closed shop"; that since 1917 no article criticizing the closed shop or advocating the "open shop" has appeared in any American newspaper except the Buffalo *Commercial*, the Los Angeles *Times*, the Arizona *Gazette*, and the Hamilton (Can.) *Daily News*.

In view of Mr. McCone's very definite assertions, *it will be exceedingly interesting to note whether* the press will find anything of interest at this time, or worthy of public discussion, in *this book*, which I am so directly presenting to your notice.

CHAPTER VIII

FAILURE OF ORGANIZATION TO BENEFIT WORKERS

UNTIL of late the American people have been and probably still are *friendly* to organized labor, accepting as well founded Mr. Gompers' perpetual assertion that "there are *no* means whereby the workers can obtain and maintain fair wages except through trade-union effort" (see Report, page 72). Supposed humanitarian purpose has justified him in the eyes of many thousands of excellent people (especially clergymen) who neither create industries nor employ labor, and who perhaps take at par his declaration (same report and page) that "there is in fact no such condition as an iron law of wages, based upon a natural law of supply and demand. Conditions in commerce and industry . . . influenced by combinations and trusts, have effectively destroyed the theory of a natural law of supply and demand, as formulated by doctrinaire economists."

As a matter of fact there could be no more colossal demonstration of the general falsity of the above assertions than the actual course of wages and prices of commodities during the forty years of Mr. Gompers' presidency of the A. F. L. To put the facts bluntly, the old law of supply and demand, supposed by him to have been destroyed by the Trusts and Combinations (and which indeed was vainly assailed by all of them, especially by the Labor Trust), has been on the job every minute, and has proved itself to be a royal paymaster of the non-

union man. Meantime "trades union effort," supposed to be the only salvation of the union man, has proved itself his rank enemy.

I will not attempt here, for lack of space, to insert a comparative tabulation of wages and prices sufficiently exhaustive to cover all crafts and localities throughout the United States during the last forty years, but will refer the reader, for pre-war averages, to the valuable United States Senate Commission Report on Course of Prices and Wages from 1900 to 1907, to the nearest United States Employment Bureau office for current wages, and to any grocer for current prices. The Department of Commerce and Labor has published also many bulletins on the course of wages and prices which it does not seem to me necessary to wade through. Simpler and quite as conclusive proof is at hand, as follows:

The Senate Report referred to above clearly establishes the fact that between 1900 and 1907, while leading commodities advanced in price 17 per cent, *unorganized* farm labor advanced 63 per cent; *half organized* hosiery labor advanced 40 per cent; *highly organized* railway labor advanced 33 per cent; *best organized* locomotive engineers, 20 per cent. The same report showed union carpenters earning different wages in different cities, from $18 in Louisville to $27.50 in Chicago; and union typesetters from 43 cents per hour in Philadelphia to 80 cents in San Francisco. In other words, non-union labor fared best; while union labor fared worse and worse in proportion to degree of unionization—the strongest union faring worst; while members of the same unions, at the same time, but in different cities, drew widely different pay for same work, determined by local demand and supply.

Now I venture to say that the reader will find precisely the same situation today, if he will check up for himself wages in a few typical trades, as I have done. For instance, Mr. Stone, Grand Chief of the Locomotive Engineers Brotherhood, sent me recently a detailed comparison of engineers' wages with those of 1880, with the following comments in answer to my remark that wages had doubled in the forty intervening years: "Not only have the rates not been doubled, but the percentage of increase given to locomotive engineers is very small when compared with the wages now paid to other classes demanding any degree of skill. . . . The locomotive engineer today is the lowest paid worker, when the skill and responsibility required of him is taken into consideration." *Mr. Stone was quite right.*

Plumbers just now receive 90 to 100 cents an hour as against 35 to 40 cents in 1880. Carpenters about the same, say $36 per week. Farm laborers get, according to the Boston *Herald* of May 19, in Maine and Rhode Island $65 to $75 a month and board, against $12 to $15 in 1880; common laborers, 46 to 50 cents an hour, against 12½ to 15 cents an hour in 1880,—current figures from United States Employment Office in Boston three months ago. Cooks and housemaids are offered in Boston papers now $14 to $16, and in the country $10 to $12 a week, as against $3 and $4 a week in 1880. The plumbers and carpenters are well unionized; farm, common, and domestic labor not at all.

In short, wages have risen *universally*. But in the A. F. L. Report for 1919, pages 47 to 61, two hundred and twenty-five union leaders claim the credit for the rise as "*the result of organization*," giving figures; and their constituents doubtless believe their

claim. The figures are, however, so variously made up as to be incapable of tabulation for averages. I have roughly averaged the increases, for which thirty-one out of the one hundred and ten big international unions claim credit; apparently, and in some cases stated to be, the *totals* since 1881.

Wage Increases Claimed		Per cent.
Bill Posters	Present wage equivalent to	200
Broom and Whisk Mkrs	" " " "	200
Railway Carmen	" " " "	225
Carvers	" " " "	233
Diamond Cutters	" " " "	235
Chemical Workers	" " " "	350
Elevator Men	" " " "	320
Marine Engineers	" " " "	300
Stationary Engineers	" " " "	300
Granite Workers	" " " "	220
Hatters	" " " "	240
Hodcarriers	" " " "	480
Laundry Workers	" " " "	200
Marble Workers	" " " "	200
Metal Workers	" " " "	242
Painters and Decorators	" " " "	220
Pattern Makers	" " " "	457
Paving Cutters	" " " "	157
Plumbers	" " " "	225
Print Cutters	" " " "	150
Sulphite Paper Workers	" " " "	350
Quarrymen	" " " "	235
Roofers	" " " "	250
Seamen	" " " "	400
Tobacco Workers	" " " "	165
Tunnel Workers	" " " "	200
Upholsterers	" " " "	225
Wire Weavers	" " " "	130
Cabinet Makers	" " " "	163
Cement Workers	" " " "	171
City Employees	" " " "	175
31 trades, total present wage		7618

Present wages, average $\frac{7618}{31}$ = nearly 246% of old wages say of 1880

Note. These figures are necessarily approximate, because the claims of the reports are approximate and variously made up. The foregoing are arrived at by comparing present with old wage rates, where given, and figuring the percentage of increase. Calling the old rates 100 percent, the present average rates show a gain of 246 − 100 = 146 % gain.

Gains run from 30 per cent for the wire weavers (probably a very recent union) to 380 per cent for hodcarriers, and 359 per cent for pattern makers (which last two look doubtful on their face, but I accept them). Altogether they average an increase of 146 per cent; and if they fairly represent union labor it is drawing today about two and one half times the gross wages it drew, let us say, in 1881, when the Federation was formed. Recent inquiry at the United States Employment Office in Boston confirms this average; and the union claims may be accepted as correct as to the ratio of increase secured. *Hours of labor* have shortened everywhere, but to about the same extent, whether on union or non-union jobs.

Now note that farm labor, strictly unorganized and five times as numerous as *all* union labor, has risen to four and five times the wage of 1880; and that common labor, far more numerous than union labor and entirely non-union, floating around at all sorts of work, has risen to three and a half and four times old pay. Domestic and commercial labor, unorganized, twice as numerous as union labor, has likewise risen three or four to one. No unions exist to boast of these gains, which far exceed those of union labor; but they are matters of common knowledge. Any man can verify for himself, by asking any elderly day laborer, housemaid, cook, farm hand, carpenter, plumber, or locomotive engineer, what wages are now and what they were when he or she was young, and will realize then that wages in those steam-and-water-tight unions lag far behind non-union wages in relative increase.

Meantime cost of living has substantially doubled (see Department of Labor Reports), so that all labor, union or not, is now better off than ever be-

fore, as appears from huge savings bank deposit increases and popular extravagance. Clerical and professional workers, teachers, and the fixed-small-salary classes, alone are worse off than of old; not because they are not unionized, but because the demand for their services does not double up with intensive business activity. May I emphasize, gentlemen of the press, the fact that totally unorganized, non-union domestic, farm, and common labor is now drawing three to three and a half times the wages of 1880, while the most highly unionized laborer, the locomotive engineer, draws but two or two and a half times as much; and such well-unionized labor as that of plumbers and carpenters draws only two and a quarter to two and a half the old figures. May I point out that those three classes of labor (common, farm, and domestic) are the *great* classes, aggregating twenty-seven million unorganized workers, against around four millions organized; and that their only friend is the law of supply and demand, which Gompers says is dead and buried. That no union has helped them, and they have had to do without the "only means whereby the workers can obtain and maintain fair wages"; but that nevertheless for forty years they have done relatively better and better than union labor has done—doing best of all during the extraordinary upheaval of industrial conditions caused by the great war.

Verily, Mr. Gompers may rail at the law of supply and demand, but it will continue in business at the old stand; and just as sure as wind, weather, and dry rot level the trees of the forests, so will its ceaseless operation defeat and destroy his huge but useless Federation of Labor. Let us hope it may fertilize the soil for growth of better things when it falls and decays.

Meantime, *why* should free, unorganized labor do so much better than union labor, as shown above? The question is interesting and the answer even more so. The only economic explanation that fits the circumstances is in the *inefficiency of union labor;* the result of the Gompers' Gospel of Sloth, of Idleness, of least work for most pay—an *impossible* Gospel.

CHAPTER IX

THE AMERICAN FEDERATION OF LABOR. INEFFICIENCY. THE GOSPEL OF SLOTH

WE now reach, and I call particular attention to, the worst mischief so far done by Labor to industry and the community; though its effort to demoralize our politics may yet inflict deeper injury upon our beloved country. I refer to its deliberate minimizing of production. It constitutes one of the heaviest handicaps against which the employer has to contend, and is far more responsible for his hatred of trades-unionism than any matter of mere wages.

It has from the very beginning, long before Gompers' time, been the theory of the unions that it is a mistake for a man to "speed up," to do all he can in return for his wages, all the time; because his employer will not then need to hire so many men to do the same work, and some man is sure to be left out of a job. That man is also sure to be the poorest, least efficient workman; the man that likes to take a day off now and then, and is not only by nature a little slow but a little lazy; the man that likes agitation better than steady work.

The unions figure that there is only so much work to go around, and it must be split up into smaller stents, so as to keep the largest number of men on the pay roll. They would force the employer to retain the slow men by holding back the fast men and cutting down the hours of work. They entirely

5. That, as machinery and methods improve, so as to increase production, working hours must be shortened, presumably enough to keep production down to old levels.
6. Resolution No. 160 evidently aims at getting rid of non-employment by shortening work hours so as to take more men to do same work.
7. Resolutions No. 111 and No. 152 (see page 381), against profiteering, show that Labor proposes to stop rise in prices of commodities. *Shortage in supply is implied, as the stopper.*

Perhaps you, Messrs. Press Writers, reading these Gompers' seven points, are asking yourselves, as men of ordinary intelligence, *just how* Organized Labor is going to "democratize industry" so as to *increase* wages to a point far beyond the world's experience, while likewise *decreasing* hours of work, without enormously increasing cost of production; also *just how* shortening hours and putting on more men to do the same work to end unemployment, or shortening hours to nullify the increased product gained by better methods and machinery, can possibly relieve short supply or reduce high cost of commodities, as recited in the Resolutions?

Maybe you ask yourselves also whether Mr. Gompers is so stupid as to *believe* his own economics; whether he honestly thinks the trusts and the A. F. L. really can defy the law of supply and demand; or that his Reconstruction Program will actually enable Labor to get more out of the world by putting less into it.

He *may* be so stupid and yet may be sincere, but I doubt both hypotheses. His record discloses a demagogue of very unusual personal force, who sizes up his followers perfectly and feeds them seven points, or seventy, such as they like, and such

as will "get by." One of these points is *simple sloth.* It appeals to us all, as to the tired Vermont farmer's wife, who soliloquized as follows:

"I wisht I was a little stun,
A settin' on a hill,
I would n't do a gol-darned thing
But *stay* there, settin' still.
I would n't eat, I would n't drink;
I would n't dress, nor wash,
But set and set a thousand years,
And *rest* myself, by gosh!"

Ants and bees, one or two animals, and some men, work hard and save for others to enjoy after they are gone; but all the other living creatures work just hard enough to live from season to season, and from the cradle to the grave. Nature, like Shakespeare, is content merely to

"Give Richard leave to live till Richard die."

Taking the world as a whole, or each country by itself, its inhabitants consume each year all the *perishable* commodities, food, clothing, etc., which they produce; or, to turn the equation around the other way, they will not *produce* more than is wanted for consumption. No manufacturer will go on making cotton cloth if it piles up on his shelves unsold; no farmer will seed his acres for corn if his last year's crop unsold remains in his bins over seed-time. Rather than produce what he cannot sell, he will rest himself, by gosh!

A very little thought will show the sure result of the Gompers' gospel of sloth. The bulk of human labor is spent on the production and distribution of *perishable* goods, food and clothing, light, fuel, etc. All of these are consumed every year, or spoil. They cannot be accumulated as lasting wealth *because*

they are perishable. For that reason the world produces only just enough of them to *go around,* and carry over from one season to the next.

The remainder of human labor — not a very large part of it, say one tenth — is spent in producing imperishables, so called, like gold and jewels; or slowly perishables, like buildings and bridges; or short-lived wealth, like railways, manufacturing plants, etc. Of the imperishables, only those which are *rare,* like gold, are valuable, and can be accumulated as stored-up wealth; while buildings, railways, manufacturing plants, etc., which in their very nature require *much* labor to produce, are therefore *rare.* There is not and never can be *enough* of any of these imperishables, or slowly perishables, *to go all around;* nor can the latter often be split up for physical distribution, even when considerable in quantity and value.

Everywhere, from year to year, there is just about enough of *perishable* goods to go around among us all, and *no more* — even for Rockefeller, who eats no more than you or I, while what he does *not* eat must spoil on his hands; and there is never anywhere near enough of *imperishables,* or slowly perishables, to go around. In other words, very few men ever can be *rich!*

It stands to reason, then, that workers who deliberately cut down production — either by working shorter hours or by slowing down their pace while at work — of perishable goods, whose normal supply is just enough to go around, must not only stint us all, but especially themselves. For they have nothing but their own contribution to the general stock, against which to draw from it such goods as they need. In cutting down their own output they cut down their own purchasing power also.

The same is true, and much more true, of the imperishables, whose supply is never nearly large enough to go around. If the workers cut down their own production thereof, they cut down still more their own purchasing power.

That is the logical, and it seems to me unescapable, explanation why free unorganized labor, which can and does produce more and more efficiently as machinery and methods improve, forges ahead faster and faster in comparison with organized labor, hobbled with the shackles of *intentional* sloth.

To justify my use of the word "intentional," let me turn once more to the record in the oft-quoted 1919 Report of the A. F. L. — or to its predecessors. I have already cited this Report (pages 451–454) to prove Labor's purpose to shorten working hours; the following will show its purpose to cut down production while at work, — in plain language, to loaf on the job. On page 121 Mr. Gompers reports success in retaining in the naval appropriation bill a provision against "so-called efficiency" — forbidding the study under the stop watch of work done by any employee. He had reported the same success in former Reports.

The use of a stop watch at the General Electric Company's works at Lynn has just been the occasion (May 10, 1920) of a walkout of a number of workers, accompanied by threat of a general strike, to prevent the timekeepers from determining by the watch what should be a fair day's production in winding coils. This is a typical case.

Returning to the Report, page 451, Resolution 105 says, "a piece work basis is most objectionable . . . there can be no question that the proper method in Governmental departments is upon a

fixed price for certain hours of work." The same Resolution would forbid an idle man to put in his time on any work other than that of his own craft. He must rather do nothing at all. On page 468, Resolution No. 218 puts the Ingersoll Watch concern on the "unfair list" because of the "speed-up" system introduced by the firm for greater efficiency in production. This Resolution was introduced by the "Boycott Committee."

These citations (a few only out of many) suffice to show the fixed policy of Organized Labor. You, gentlemen of the press, can judge of it by very superficial inquiry. For instance, just ask any middle-aged master plumber as to present and old-time efficiency of journeyman plumbers, most of whom are union men. He will tell you that they used to average fifteen to twenty wiped joints per day. Now they are restricted by union rules to one joint per hour — or say forty-four per week, as against ninety to one hundred and twenty per week in 1880. Is there anything to wonder at when the plumber complains, as he justly does, that his wages will not buy as much of this world's goods today as they used to do, while the unskilled, non-union laborers' wages will buy *more* than of old? Can a man who contributes *less than half* what he used to toward the common stock justly expect to take out of it even as much as before, to say nothing of taking out *more?*

Can the reader wonder that every manufacturer is constantly putting in improved machinery to enable free, unskilled *common* labor to take the place of skilled union labor, so long as the latter deliberately plans to baffle the best effort of the manufacturer to increase output and lower cost?

Of course that helps common labor! The Bible

says "the wages of sin is death." The law of supply and demand, not quite so extreme but just as implacable as Holy Writ, decrees that the reward of sloth is poverty. The average man cannot accumulate fortune in perishable goods, *because* they perish, and because there is but just enough to go around; and but a few supermen can accumulate wealth in imperishable goods, because what little there is by nature can accumulate only here and there. Who, then, shall the lucky ones be? Those who *work* or those who *shirk?* Justice and common sense and universal experience agree with the Constitution of the United States in awarding the fortune to the man that has the energy to work, and the thrift to save, and the brain to plan, and the courage to risk. That man is seldom a union laborer, though he not seldom *has been* one for a while.

At this point the Bolshevist, the Socialist, the Collectivist, etc., come in to tell us that the United States, like the Creator, has constituted things all wrong; "but that is another story," as Kipling says. Just now we are considering Labor. Moreover, the Creator, in his infinite wisdom, has ordained that he who accumulates a fortune cannot benefit by it unless he puts it at work for the service of humanity in productive industry; in the course of which employment it must buy and pay for, year in and year out, large and larger quantities of that "*human labor*" which, fortunately for its owners and in spite of Mr. Gompers, is a mere and extremely salable "*commodity of commerce.*"

This is, it seems to me, in the divine scheme of this world's affairs, the reason for existence of the *capitalist*, the exceptional man of business; namely, to employ much labor and give many men the means

of useful and comfortable self-support. He may be, and from a business standpoint should be, selfish but just, demanding and giving value for value; and he cannot *succeed* without carrying upward with him many, many others.

Can you not see, gentlemen of the press, that Capitalism, however selfish it may be, is intelligent, *constructive?* That its consistent purpose of expansion, of enlarged and cheapened production and distribution — because therein lies the greater reward — is for the benefit of the *community* also? Can you not, *per contra,* see that trades-unionism of the Gompers type, while just as selfish, is stupid, *destructive?* That its consistent purpose of blocking expansion, of giving less and less to the community while demanding from it more and more, is necessarily an injury to all, as well as a fatal blunder for itself?

Is it not clear that Capitalism, doing with all its might greater service to the world, deserves and will always receive its greater dividend from the world? While Gompersism, holding back with all its might against service to the world, deserves and will inevitably receive only the beatings and the scanty fare, that always fall to the lot of "balky critters" that will not pull their load?

CHAPTER X

IRRESPONSIBILITY OF LABOR

ONE of the many difficulties, perhaps the greatest obstacle from the point of view of Capital, in dealing collectively with Organized Labor, is the financial irresponsibility of the latter.

The first question raised, when capitalist deals with capitalist, is that of responsibility. Each asks whether the other is good for his contract, whether it can be enforced at law. If not, there is "nothing doing" between the parties.

When it comes to dealing with Labor, on the contrary, the latter insists on carefully guarded *irresponsibility;* at least so far as refusal to incorporate legally goes to protect union funds from suit brought to enforce performance of union contracts.

Of course it is none the less true, under the common law, that the members of an unincorporated association, such as a labor union, are always personally liable for all its obligations; as indeed Labor found out to its sorrow in the case of Loewe *vs.* United Hatters of North America. But as in practice it is a costly process, as well as doubtful of results, to sue a large number of laboring men individually, the union leaders, who employ clever lawyers, are well aware that such suits are seldom brought, and that meantime union funds can be made elusive and hard to reach under present conditions.

If, on the contrary, the unions were incorporated, and complied with the laws intended to protect the

creditors of corporations, it would be comparatively easy to reach and impound union money.

Now, the one thing which union leaders religiously guard from the profanation of handling other than their own is union income and accumulated cash. It is in their eyes quite enough to return to their members a fifth or sixth part of their annual contributions in the shape of so-called *benefits;* and it is absolutely *unthinkable* to risk the remaining four fifths by putting it, or any accumulated remnant of it, up to guarantee performance of union contracts.

For instance, in 1901 the United Hatters of North America demanded that Loewe & Co. of Danbury, Conn., should unionize their factory and establish the "closed shop." The latter refused. Then the Hatters called out Loewe's union men on strike, and declared a nation-wide boycott of hats made by the firm; causing to it heavy loss. The firm sued the Hatters for damages, and as they were not incorporated, caused attachments to be levied upon 186 homes and on sundry bank accounts owned by members of the union resident in Danbury. The United Hatters defended the suits, and entered into written agreement with the owners, assuming entire responsibility for the conduct of the suit, and the payment of any judgments obtained.

After eleven years of litigation, in which the case was carried by the Hatters to the Supreme Court of the United States, judgment for over $250,000 damages against them was finally affirmed in November, 1912. The American Federation of Labor had intervened in the suit, alleging a financial interest therein; and at its 1908 Convention pledged to the suffering owners of homes and bank accounts its financial aid: therefore the firm waited three

years for some proposition of payment from the unions, but finally collected from the banks, and started to sell the homes for the debt. Though it then would have taken an assessment of but ten cents per member of the A. F. L. to pay the judgment, principal and interest, the A. F. L. petitioned Congress that the Nation should pay it, on the extraordinary ground that the Sherman Law against combination and conspiracy was not meant to hit Organized Labor! Congress refused, for a wonder; but subsequently passed the Clayton Act, excepting Labor from the perils of the Sherman Law. The Federation then considered that it had discharged its obligation to the Danbury sufferers by procuring passage of an act that "precluded the possibility of any similar suit"; and for some time left the poor fellows to console themselves with Mr. Gompers' sympathy, quoted by the New York *Times* April 24, 1915, as follows: "I feel awfully with regard to how the men will take this when they lose their homes."

Meantime, however, he and the Federation had come to the aid of the Los Angeles *Times* dynamiters, and had easily raised a quarter of a million dollars to defend the McNamara gang in the criminal courts. The difference in the two cases lay in the fact that the dynamiters were high officials in their unions; the Danbury victims mere rank and file — who, as Mr. Gompers put it, "suffer for the movement." Eventually the United Hatters and the A. F. L. could no longer evade this obligation to the Danbury men, and they reluctantly paid the greater part of the judgment and costs.

The question that naturally arises to the inquiring mind is, When will the *rank and file* open their eyes to see where their good money goes? When will

they contrast their own dividend from trades-unionism with that of the 100,000 leaders who do *not* lose their homes or jobs, and are promptly cared for by their great machine? When will they notice that strike benefits do not make good lost wages? (That is, if the Reports of the A. F. L. and the Department of Labor are to be trusted. In 1918, for instance, the A. F. L. paid out "to sustain members on strike" the large sum of $1,474,380.79: but that came to only 13 cents per day per striker against lost wages of perhaps $4 per day. For the Department of Labor reported 1,102,418 men out for an average of 18 days; in 3181 strikes, of which 1811 were called by the unions, or, say, 57 per cent. The union men must have lost, say, 11,312,000 days —or over $45,000,000 in wages, against $1,500,000 or less, made up by the unions.)

When will they see that sick and death benefits received are far less than their union dues invested in ordinary industrial insurance would yield? Most vital of all, when will they realize that union wages, under the union cult of sloth, lag, and always will lag, behind those of free labor, in comparison with cost of living?

All these are the results of irresponsible unionism; irresponsible to law, to economics, to public opinion, and meanest of all, to its own faithful following.

CHAPTER XI

ORGANIZED LABOR. POLITICAL EVOLUTION AND INTENTIONS

WITHOUT attempting an exact history, Mr. Gompers' political program and ambitions are, I fancy, in evolution, broadening and heightening with the growth of the A. F. L. and his own continued success in trading with politicians in power.

My first contact with Organized Labor as a semi-political affair was in Chicago, around 1900, when Labor seemed to have a "pull" with the city authorities that held back the hand of the police during labor disputes. The non-union man was pretty well terrorized in those days, as my own men informed me in 1903, when I put my factory under the protection of an injunction of a local court, forbidding violence and abuse from pickets, in order that it might start work after a protracted strike. There had been many strikes and much slugging (with one or two fatalities) in Chicago, during three years previous, which finally came to such a point of violence upon the public streets (in the teamsters' strike) that public opinion turned against the unions, and the police had to do their duty. Meantime two judges, Holdom and Chytraus, had been appealed to by employers and had granted nearly an hundred injunctions against violence and sabotage. Their terms of office expired, and they came up for reëlection in 1904. Then the Federation of Labor, which claimed one hundred thousand members in Chicago, sent out

public notice to all union men to defeat Holdom and Chytraus, upon which the business interests of the city, though not very energetically, rallied to their support. Both were reëlected, running, as my memory goes, from nine thousand to fifteen thousand votes behind the leaders on the same ticket. It appeared at the time as though but nine to fifteen per cent of the alleged Labor vote was actually "delivered" when called for by the Federation. Not long after, a conspicuous test of voting power was made when the Federation attempted to defeat the reëlection of Congressman Littlefield, down in Maine. He too was reëlected, the alleged Labor vote failing delivery. Gompers and the A. F. L. opposed Governor Coolidge last year on account of his action in the Boston police strike, which added fifty thousand votes to his unprecedented majority and overwhelming victory. He carried all the great labor centers of the State, unquestionably supported by the laboring men on the issue of law and order against trades-unionism.

I doubt whether there are many other cases as clean-cut as the foregoing from which the weight of the Labor vote can be calculated; but whether in fact light or heavy, it *counts* for many tons with many Congressmen and local politicians. Local labor leaders naturally trade on the desire for or fear of the Labor vote, to get city jobs for union men, jack up city wage-scales, pull off the police from interference with picket lines, etc., and usually find local politicians pliant.

To return to my tale: as the American Federation grew larger and larger and larger, as the railway Brotherhoods expanded, as the United States courts and army were drawn into restraint of union actions (for instance, in the Debs railway strike of 1894),

Mr. Gompers felt the need of *national* political "pull" as well as local. The Federation moved to Washington, where there are few employers, but many politicians, built the "A. F. L. building" right alongside the war and navy departments, and is firmly and conspicuously planted there, able to shake the Labor vote at the President and Congress every day in the year.

Of course there are always the thousands of local unions, city and state federations, etc., to shake their local vote at Governors, Mayors, and members of the Legislatures in every state and city. Nor is their threat a light one to the average politician, who in ordinary years has no compelling issue in his platform upon which to stand; who has nothing to determine popular favor except a party label, or that he is a good fellow. It makes a lot of difference to such a politician if he can rely on the solid vote of the members of a good big local union.

And in national elections — consider the *possible* vote of Organized Labor. Roosevelt's record plurality was around 2,585,000. Taft's was only 1,270,000. Wilson's second election was but 582,000. If we grant Mr. Gompers' claim that there are today over four million organized workers, and assume that forty-five per cent of them are voters (as is the case with labor generally), there is a possible "Labor vote" of 1,800,000, which is far more than necessary to carry a presidential election if delivered *solidly* to either one of the two great parties, and not counterbalanced otherwise.

Per contra, "Labor" is nowhere near big enough to constitute a victorious, independent *Party*.

Hence Mr. Gompers' perfectly consistent and well-advised strategy not to organize a Labor party, not to put up Labor candidates, as *such*, but to bid

Labor play the part of a political prostitute, giving its favor to whatever candidate of whatever party promises most. Mr. Gompers' public manifesto of February 8, 1920, reads as follows:

"The American labor movement finds it necessary vigorously to apply its long and well-established non-partisan political policy . . . Confronted by a succession of hostile Congresses, the A. F. L. in 1906 announced its historic 'bill of grievances.' This was followed by a vigorous and successful non-partisan political campaign. In 1908, 1910 and 1912 the same program was energetically applied. As a result, many of Labor's enemies in Congress were defeated and all of the essential legislation in 'Labor's Bill of Grievances' of 1906 was enacted. . . . Organized Labor owes allegiance to no political party . . . Wherever candidates for reëlection have been unfriendly to labor's interests they should be defeated and election of tried and true trades-unionists, or of assured friends, should be secured . . . whether for President, for Congress, for state legislatures or any other office . . . The time for vigorous and determined action is here."

No fault can be found with Mr. Gompers and the A. F. L. for using the ballot to protect their constitutional rights, or to modify the Constitution in a constitutional way. That is what the ballot is for in a free country. It is the privilege and the duty of the rest of us, if we do not like what organized labor ballots *for,* to ballot ourselves *against* it, and defeat it if we can. We are bound, therefore, to inquire carefully *just what labor wants* of the President, of Congress, and the Legislatures. Is it some constitutional right that it seeks to save, or some unconstitutional class advantage it is determined to force by threatening frightened Congressmen?

A. F. L. POLITICAL INTENTION

To begin with, what Labor has *already got* by political activity, local and national, may be summarized as follows:

1. For many years local police and military authorities have winked at violence and terrorism in labor disputes, and have only interfered to maintain law and order and protect life and property when popular indignation compelled so doing. Of late years the public by intensive experience has grown rather impatient of organized labor, and the politicians in power are becoming quickly responsive in maintaining law and order. (In consequence Organized Labor has lately sought to change the law and limit judicial power.)

2. A number of years ago Labor obtained from Congress a law making eight hours a day's work in all government employment, and on all government contract work. This was the entering wedge, recently followed up by the Adamson Law of 1916 establishing the eight-hour day for railroad workers. A good many subsidiary eight-hour laws have been passed by different State and City Legislatures, I believe.

3. Acts excluding oriental immigration, etc., have been passed, largely at the instance of Organized Labor.

4. A Seaman's Act, allowing seamen to quit any time provided their ship is safe in port, instead of being bound to complete the voyage for which they shipped, has been passed.

5. A Department of Labor was segregated from the old Department of Commerce and Labor, and a union man made Secretary of it under the present Administration. The Department is now pretty well "packed" with officials friendly to Mr. Gompers and his associates.

6. A number of child and female labor laws, workmen's compensation laws, inspection, sanitation, and safety appliance laws have been passed with Organized Labor's approval, or perhaps its initiative. I say *perhaps*, because none of these things were taken seriously enough by Organized Labor to cause the calling of *one single strike* in the twenty-five years from 1881 to 1905 (see Report on Strikers and Lockouts of Committee of Labor), out of nearly thirty-seven thousand recorded by Carroll D. Wright. Since 1905 the Committee of Labor has not tabulated the statistics of about as many more strikes, nor brought this particular record down to date, but such as it is, the record indicates that philanthropists and reformers passed those laws without especial pressure from Labor. Nobody opposed them seriously.

7. Congress passed the Clayton Anti-Trust Law, including a declaration that human labor is not a commodity of commerce, and excepting labor and farmer combination from being held to be conspiracy in restraint of trade.

This law is the crowning triumph of the political activities of Organized Labor in the United States (see Report, pages 197–410), the most far-reaching in its practical effect and intention, as triumphantly announced by Mr. Gompers, viz.: to deny to the employer the protection of the courts, *in advance*, against the violence and abuse that usually breaks out along the picket lines established by Organized Labor in every strike.

To explain the Act to the uninitiated, let me say that Organized Labor openly admits that a strike has poor chance of success unless a picket line is drawn to keep other workmen from taking the jobs vacated by the strikers. The jobs are good enough

and attractive enough to fetch plenty of men glad to fill them in a few days or weeks, if free play is allowed to that law of supply and demand which Mr. Gompers says does not exist. Indeed the strikers themselves are determined to hold on to the jobs, and have not the remotest idea of giving them up. They mean to save their cake and eat it too; to keep their jobs, but make the boss pay better than the wages that they *were*, and others are, glad enough to take. The only way to do this is to keep those others away, by persuasion—or, if it comes to that, by force. So the picket line is drawn around the job.

Naturally the employer is indignant, and the non-union workers who want work are indignant. Both protest that this is a free country, and the public streets are free to every man; that the employer has a right to offer and the non-union man a right to accept such work and wages as they choose, under lawful conditions. When the non-union man finds his way barred by the pickets, talk gets hot, and blows follow. Likewise the picket line often turns back coal, material, etc., on its way to the employer. There can be no question whatever that the constitutional right of both employer and non-union seeker of employment to "life, liberty, and the pursuit of happiness,"—*i.e.* of any lawful business—is deliberately trampled on by a combination of union men in restraint of trade.

The union leaders say: "Very well, what of it? If we break the law, let us be tried by a jury of our peers, and punished for it. Of course we do not admit any intent to break the law. It may be that foolish men sometimes get angry; that is an incident of industrial warfare, nothing more."

The employer answers: "Doubtless you are will-

ing to take the chances of a jury trial two or three months hence for slugging our workmen today; you feel pretty sure that your experienced lawyers will get your men off cheap enough. But how about the non-union men who are hurt meantime, while passing along the public streets; will a verdict against sluggers cure their injuries? How about my business irreparably damaged, sales and output lost forever? I must appeal to the courts for protection *in advance*—maintenance of law and order; I cannot wait till the mischief has been done beyond repair, and then appeal to the courts for punishment, useless when inflicted."

So the employer goes to the court and the judge grants an *injunction* against breach of law. Then, when a union picket proceeds to "*knock the block off*" a non-union man, or to throw a monkey wrench into a fast running machine, he is haled before the judge instantly, and sentenced by the *judge*—no packed jury to appeal to—for contempt of the injunction order of the court. The proceeding is summary and effective, and *generally stops violence.* The streets are opened once more, the natural flow of labor and material under law and order is resumed, business goes on, and *the strike fails!*

The reader will observe that mere maintenance of law and order—as enforced last fall by General Wood at Gary during the steel strike—causes the strike to fail. Therefore Mr. Gompers accuses the judges, whose sworn duty it is to maintain law and order, of acting as "strike breakers," of being owned by and subservient to the capitalistic class. That is why he procured the passage of the Clayton Act, intended to permit labor to coerce capital without fear of injunctions.

8. President Wilson embodied in the Peace

Treaty formulated in Paris in 1919 the following principles:

That labor is not a commodity of commerce.
The right to organize.
A reasonable living wage.
An eight-hour day and six-day week.
No child labor.
Equal pay for women and men, same work.
Equitable economic standards everywhere.

Provisions were made for an International Labor Bureau of the League of Nations. The defeat of the Treaty in the Senate has brought this effort to naught as far as we are concerned.

The foregoing list comprises the major accomplishments of Organized Labor's political activity up to date. It continues in intensified degree, though against increasing public opposition, with the following more or less distinctly defined purposes in view, namely—

For:

1. Unlimited right to organize, even in government service.
2. Unlimited right to strike, even against public welfare.
3. Unlimited right to collective bargaining; that is, employers *must* recognize and deal with unions, not with individuals. No "open shop."
4. Government ownership of railroad and other utilities. (Report, page 126.)
5. Government housing.
6. Government contribution to education. (Report, page 129.)
7. Government works to prevent unemployment.
8. Government monopoly of Employment Bureau service. (Report, page 123.)
9. Abolishing power of state and national supreme courts

to declare laws unconstitutional. (Report, pages 74, 97, 99.)

10. Limiting power of judges to grant injunctions, so that Labor may break the law first and take the consequences of punishment by jury trial afterwards.
11. Initiative and referendum. (Report, pages 99, 199.)
12. Minimum wage and shorter work day. (Report, pages 113, 115.)

Against:

Every form of legal control or responsibility of Organized Labor, such as:

13. Compulsory arbitration or industrial courts.
14. Prohibition of police or other strikes.
15. Collective liability of unions for collective bargains or acts of union members.

16. Compulsory military training.
17. Large regular army. Voluntary militia preferred.
18. Use of soldiers for police duty during strikes.
19. Public sale of products of convict labor.
20. Efficiency systems in government work.
21. Fixing wages or rules for government employees by law.
22. Every law intended to bring employers and employees into direct friendly contact, without intervention of Organized Labor.

Examination of these openly announced political purposes or policies of Organized Labor shows that they fall under the following general classification:

Numbers 1, 2, 3, 8, 13, 14, 21, and 22 are intended to perpetuate under the sanction of law the present centralized control of labor in the Federation and the Brotherhoods, with the monopoly of work and coercion of employers once considered conspiracy and breach of law.

Numbers 4, 5, 6, 7, 12, 19, and 20 contemplate raids on the public purse for the benefit of Labor.

Numbers 11 and 17, and especially number 9, are attacks on the guarantees of the Constitution, on representative government, and the power of government to enforce law, in the interest of demagogy, pure and simple, and the removal of all restraint from the great machine controlled by Mr. Gompers.

Number 15 perpetuates the irresponsibility of Labor.

Number 16 seems intended to avoid performance of public duty.

Number 10 and number 18 are intended to prevent the maintenance of law and order during strikes.

I urge your most careful consideration of the foregoing analysis of the political program of Organized Labor, gentlemen of the press, and ask you seriously whether it ought not to be repudiated *in toto* by every American who loves his country. Every line of it seems to me dictated by the most intense selfishness, by determination to concentrate and perpetuate personal control of industry and the state in the hands of labor demagogues, under the pretense of democracy.

Well, so far 1919 and 1920 have been Mr. Gompers' bad years. His big strikes have failed, the people are getting tired of the mischief he makes, the Administration has gone back on him; nevertheless, driven to bay with his back to the wall, he does not yield an inch, but makes the fight of his life. It is the psychological moment to beat him at the polls.

That is what the people have already done in England and France, backing up the Administrations there that have at last had the good sense and the courage to call a halt on the holding-up of national life by Organized Labor. Let me repeat the old German proverb:

"Things are so ordained that the trees do not grow into the heavens."

CHAPTER XII

CLARIFYING STUDIES. SOCIAL JUSTICE. MORAL BASIS OF CAPITALISM

BEFORE going to the polls, and while Gompers and the politicians are making up the form in which the labor issue shall present itself, it is as well to study for ourselves a little in advance, and to distill what Lowell called the "clarified residuum of thought," as to essentials which are certain to underlie that issue, when presented.

Unquestionably the most powerful appeal to the conscience of the average American man or woman made by Labor is that for "Social Justice." We *all* want it. Ten thousand preachers, reformers, charity workers; twenty thousand press and other writers; a hundred thousand demagogues, none of whom ever offer a job to a workingman; *some* statesmen — even men so totally different, as Roosevelt, Taft, and Woodrow Wilson — have thundered for years at Rockefeller, Gary, and Armour as malefactors of great wealth, commanding *them* to do "Social Justice"; yet never does any single one of these orators — so far as I have been able to learn (even Roosevelt) — attempt to find out or to define just *what* "Social Justice" actually is, or to make sure that as a matter of fact it is not already ordinarily done, everywhere and always, under the operation of forces far stronger than human kindness or human greed. Perhaps the blindest guide of all those who bind great burdens and lay them

on other men's shoulders is President Wilson. His Labor message to Congress last fall says, "To analyze the particulars in the demands of labor is to admit the justice of their complaint"; and then goes on for some two thousand words carefully to *avoid analysis,* and *shun particulars,* in a peculiarly Wilsonian and rainbowy fog of generalities which include justice to Labor and protection of Capital, also defense of the whole people against the challenge of any class. Not one concrete fact from him or any of the orators. Clearly it is up to us to inquire for ourselves *just what* Labor does not get out of this world that it is justly entitled to, and what Capital does get that it does not earn; in short, just what Social Justice is.

Fortunately, this practical, unimaginative country of ours recently compiled for income taxation fairly exact information as to what "Capital" gets out of us all; which, with statistics from the Census Office, enables us to make a pretty shrewd guess at the actual "divide" between Labor and Capital, realized under existing constitutional rights of private property and the operation of natural economic law. After digesting this information we can then go on to ask whether any better basis for Social Justice can be devised by Congress than now exists in our old familiar equality before the law; in every man's inalienable right to "life, liberty, and the pursuit of happiness." We can ask whether even a Wilsonian administration can guarantee to every man more than the pursuit—say nothing of the *attainment*—of rainbows.

The year 1917 was one of the most extraordinarily active and prosperous years for American industry ever known, though not so good as 1916. War stimulus was speeding up every shaft in the

land, and war taxation had not yet laid its heaviest hand upon the corporations. The Commissioner of Internal Revenue has lately published the "Statistics of Income" of 351,426 corporations from income tax returns for 1917, 232,079 of which netted a profit, and *119,347 netted a loss,* for the year. All of them together paid out of each $100 of gross income the following:

Gross Income			$100.00
Cost of goods, mat'l and mfg. labor		$51.59	
Labor other than mfg.	$7.72	9.34	
Salaries	1.42		
Miscellaneous overhead cost (not labor)		21.41	
Interest		2.54	
Depreciation		1.97	
Local taxes		1.24	
United States taxes		2.52	90.61
Balance remaining, profit			$9.39

These "Statistics of Income" do not analyze the cost of goods to show how much of the $51.59 reported is for labor and how much for material; but it would probably be not far from right to assume the usual ratio of fifty-fifty, or $25.79 each (of course, a large part of the cost of material also was *originally* for labor). If we add the $9.34 reported for other labor and salaries, we reach a total of $35.13 cost of labor out of $90.61 total paid out for every $100 taken in by *all* great American employers, by *Capital.*

The reader will note how small a part of the total cost of production was contributed by human beings in the form of work,—less than forty per cent. That is, Labor contributed a shade less than four tenths of the cost of production, while Capital contributed the remaining six tenths. For its contribution

Labor drew $35.13. Meantime for advancing the whole $90.61 paid out for labor and everything else, and for finding the money invested in plant, equipment, and inventories, taking all the risk and doing all the work of creating and managing the project, Capital received as net return the sum of $9.39, or a little over one fourth the amount Labor got. In other words, Capital found the money, took the risk, created the business, contributed six tenths of the total cost of production and distribution, and received as its reward one quarter the amount received by Labor for finding no money, taking no risk, creating no business, and contributing but four tenths of the cost. Furthermore, Capital got the last $9.39 left of the $100 taken in at the end, while Labor always got the first $35.13 paid out at the beginning. In fact in most states Labor is a preferred creditor; has the position of advantage over everybody — a first lien on all Capital for its compensation.

Nay, more; as five per cent has for long generations been regarded as a reasonable return for the mere use of money so amply secured as to involve no risk, only the difference between that figure and $9.39 actually realized by Capital as above — or, if we assume an annual turnover equal to capital invested, a reasonable assumption, $4.39 out of every $100 gross income — can justly be considered as the reward of those who find the capital and create the enterprise, for their risk, energy, and ability — call it, if you please, their *work* — as against $35.13 paid Labor for its work; and this in a most extraordinarily prosperous year for American industry, in which, nevertheless, one corporation out of every three reported a deficit instead of a profit.

Granting that Capital and Labor are partners

equally indispensable, that neither can get along without the other, why in the name of Social Justice should that partner who contributes the virtues of thrift, courage, management, *and* work be asked to divide with the other partner, who contributes nothing *but* work, on any basis more favorable to the latter than the present ration of $4.39 to $35.13? If *that* is the ratio in a year of extraordinary profit, how can Capital risk the attempt hereafter to take less and give Labor more; or what probability is there that Capital *will* do so, in view of the certainty of bad years to come? Ever since the date of Pharaoh's dream of nearly three thousand years ago, of the seven fat kine and the seven lean kine, — the seven years of plenty followed by seven years of famine, — it has been in order, and probably was long before, for Capital to look ahead to periods of bad business, and take precautions to keep itself, and incidentally Labor, alive through hard times as well as good. That is its *duty;* and it can do Labor no greater kindness or larger Social Justice.

Is not the above statement fair? Do not you, gentlemen of the press, realize how narrow the margin *always* is? Do you not perceive that under operation of the law of supply and demand the workingman *always* gets out of the world substantially all that he puts into it — collectively considered, that is, with the individual variations common to all human affairs? Can you not grasp the significance of the extraordinary revelation of modern industry as a whole afforded us by this snapshot taken by the Income Tax Collector of business in full stride? Does it not photograph itself on your minds that that little $4.39 out of every $100 income is the *entire target* at which Bolshevist, Socialist, Labor demagogue, and politicians, so fiercely are shoot-

ing! *How small it is!* Heaven knows what fat living they all expect to get out of it! *They do not know themselves*, and are mighty careful not to try to find out—only to roar promises to stop "profiteering," and give it all to labor, or the proletariat, to the "People."

What will there be to give to the "People" if we do stop "profiteering," gentlemen? What do the people get in Darkest Africa, where there never was any profiteering; or in Russia today, where they have just stopped it? Will you not look at the world as it always has been and actually is, read history, and recognize that a nation's profiteers are among its greatest assets: vital to its prosperity? Will you not remember that where there is no profiteering there is no capital; and where there is no capital there are none but beggars; and where there are none but beggars, there is also nothing to beg?

Let us check up these Income Tax analyses by studying some New York World Almanac figures for 1919 compiled from various governmental sources:

Total population, 1919	106,736,461
Workers in industries named below say .	32,000,000
Workers in transportation and distribution say	18,500,000
Value of manufactured products of U. S.	$24,246,000,000
Value of farm products	21,386,000,000
Value of mineral and quarry products . .	5,739,000,000
Value of forest products	792,000,000
	$52,163,000,000
Cost transportation and distribution estimated at 37.5 per cent	19,560,000,000
Total value of products distributed .	$71,723,000,000

The above total value, say seventy-two billion dollars, divided by the total working population, something over fifty million workers, averages about $1440 per worker as his entire product for 1919. If we allow three hundred working days in the year, each man produced value of about $4.80 per diem, or for an eight-hour day 60 cents an hour.

Now it is common knowledge that common, unskilled labor has been and is now being paid 45 to 50 cents an hour, and all sorts of skilled labor anywhere from 75 cents to $1 an hour. Is it not evident that, taking labor as a whole, here in America at least, it is already receiving and consuming by far the larger part of the value it helps to create? Where was the sound basis for Mr. Roosevelt's slogans of the "Square Deal" and "Social Justice," upon which was largely founded his — to me never very convincing — appeal to men of heart and conscience that resulted in the formation of the late Progressive Party? As a matter of fact it never existed, broadly speaking. And where does Mr. Gompers expect to get the "more, more, more" that he demands for Labor? As the old farmer adage has it: "You cannot get milk from a dry cow." If Labor in this country, assisted by Capital and brains, is producing total value of 60 cents per hour, and drawing from 45 cents to $1 per hour wages, two things are positively certain — first, that labor generally is *not* being robbed, or even "exploited," by capital; and second, that its only way to *get* "more, more, more" is to *produce* more, more, more. When Mr. Gompers instigates his followers to produce *less*, *less*, *less*, he is simply their worst enemy.

Let us verify this from yet other statistics. The Census Bureau made an unofficial estimate of the

wealth of the United States, Dec. 31, 1917, as 220,000 million dollars; the Department of Commerce the same year estimated 228,000 millions. The population was estimated at 103 millions. Our wealth, therefore, averaged say $2213 for every man, woman, and child; and if we accept the roll made by the Selective Draft Bureau in 1917 of 48,282,911 workers, and call it now, including natural increase, 50 millions in 1919, our wealth averages $4560 *per worker*. That sum would be each wageworker's fortune, man or woman, if President Gompers were to take everything — land, buildings, plants, railroads, food, clothing, automobiles, and hard cash — and divide all equally among Rockefeller, Morgan, himself, and the rest of us.

Now let us suppose, though by no means certain, that when thus divided each man's fortune would earn him the fair dividend of six per cent on his $4560, or $273.60 per annum. That would come to 90 cents a day for each worker in addition to the wage he gets now, reserving nothing whatever for capital; that is, if we assume, which we have every reason to doubt, that our national capital, if divided up as above, and no longer managed by captains of industry for their own benefit, would yield the 90 cents per day, the six per cent in question — as to which more hereafter.

How far, gentlemen of the press, and may I add also, gentlemen of the pulpit, the forum, and the soap box — how far would 90 cents a day go to satisfy Mr. Gompers' "more, more, more for Labor"? Why, as I write (April 12, 1920), the railway switchmen, freight handlers, clerks, etc., are breaking loose from his organizations on an "outlaw" strike, demanding from $1.60 to $2.40 a day increase of pay. I have heard talk even of

the following Labor slogan: "Five hours and five dollars a day, five days a week."

While clarifying our thought, however, let us not make the mistake of assuming that Mr. Gompers wants merely an "*even* divide." The only way his Organized Labor can earn "more, more, more," while producing less, less, less, is to remain as it is now: a compact, predatory *minority;* holding up the majority by strikes in strategic industries, such as coal, railroad, etc., for *more than its fair share!* The 228,000 millions of our wealth, which I assumed above for the sake of argument to divide *equally,* does not to any great extent belong to Wall Street. Over 100,000 millions of it was in land, farms, and homes owned by good plain American citizens everywhere; another 50,000 millions was in goods, live stock, food, clothing, furniture, and was also scattered broadcast, bearing no coupons, yielding no income. If we leave out of consideration the land, which was not made by us, the remaining 128,000 millions of our wealth, which we *did* produce, totals all we have accumulated since Columbus discovered our country — all that is left to us out of an output now 62,602 millions of dollars a year. That is to say, our entire savings from the foundation of the American Republic to date are just about two years' present receipts. Since 1900 we have gained in wealth about 99,222 millions, or an average of 5222 millions a year from an average population of ninety-one and a half millions. We put by but $57 apiece annually.

Once more, gentlemen of the press and the pulpit: do you grasp the significance of the figures as throwing light on the question whether "Social Justice" has been done? If we assume the same proportion (47 per cent of workers to total population) as in

1919 for the nineteen years just preceding, then of the ninety-one and a half millions average population for that period some forty-four millions were workers; and the above saving of 5222 millions averaged $119 apiece. Allowing three hundred working days in the year, our accumulated wealth for that period comes to less than 40 cents per worker per day.

You will probably admit, gentlemen, that during the last nineteen years our workers (who produced $4.80 per day in 1919) must have produced an average value of at least $3 per day per worker, taking men and women together. If so, since the 40 cents per day was *all* that accumulated in the shape of capital, we must necessarily have spent the rest, or an average of $2.60 per day. That is, we spent 87 per cent, and somebody, including the wicked Wall Streeters, saved as capital 13 per cent of our gross income. But we must bear in mind that a very considerable part of that 13 per cent saved still belongs to Labor. There were in 1919 no fewer than 11,400,000 savings banks depositors, and away back in 1910 even there were 17,805,000 dwellings and 6,717,000 farms—most of them small, owned by workers.

While it is difficult in making up so rough and sketchy an outline of so very large a subject to draw *exact* conclusions, it is my own conviction from this and former studies along parallel lines that laborers—the *wageworkers* in general, those for whom "Social Justice" is demanded—actually receive, and nine tenths of them actually spend, somewhere from 90 to 95 per cent of all we produce. About one tenth of them save something, and help to accumulate the nation's capital. I do not believe our nation as a whole saves more than five

per cent of its annual turnover; but whatever we do save in the shape of bank deposits, whoever owns them, is invested by modern finance in modern industry and distribution, to the conspicuous benefit of our own laboring classes as wageworkers.

The recent years of war activity have caused an intensive development of industry and an apparent augmentation of capital, the real worth and solidity of which cannot certainly be told before commerce comes back to normal once more. Leaving these feverish years out, for the purpose of this discussion, I doubt whether normal accumulation of wealth exceeds five per cent, as guessed above. The other ninety-five per cent, as I see it, is distributed by the cold and impartial law of supply and demand from day to day and week to week with evenhanded "Social Justice," that is to say, to each worker, large or small, strong or feeble, fast or slow, in proportion to the service *he* individually renders to the community in return for his own daily contribution to the common welfare.

If he is but one of many thousands of workingmen doing each some obscure part of the vast work of a great employer, his personal contribution is comparatively slight, and often quite useless without the contributions of hundreds of his fellows. His individual reward, though labor in the aggregate must first and last receive as above 95 per cent of the total value it helps to create, is necessarily small compared with that of the great organizer, who coördinates hundreds or thousands of like contributions into one great river of service to mankind. Consider Rockefeller, for instance, whose tank wagons bring kerosene oil to every farmer's door on the remotest back-country road. Rockefeller himself, the creator and maintainer of that service to

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the farmer, is justly entitled to this last five per cent (if indeed he gets that much) of the cash paid by the farmer for his gallon of kerosene, after having paid out in advance ninety-five per cent thereof for cost of production and distribution, all the way from the bowels of the earth in Oklahoma to the farm-house in Maine or Australia. *Without* Rockefeller all the thousands of workmen of the Standard Oil would never have done that service to the farmer; without Swift and Armour all the packing-house butchers in Chicago would never have laid down a pound of bacon at the battle front in France.

Is not this the truth? In all history, in every industry, *brains* has always been, always will be, and ought to be, the *great* profiteer. Without brains, without management, neither Capital nor Labor receives its fair reward. Neither of them deserves, and neither of them ever receives, the measure of reward earned by *brains*. Hence Rockefeller, and Armour, and Ford; and also Abraham and Solomon in their day — all of them, rightly, profiteers.

Or consider the case of another who might be called one of the great modern profiteers — Mary Pickford. By means of the great machinery built up by the "movie" men, Mary's pretty smile is said to please some eight hundred thousand people every day in the United States alone. She is said to realize a million dollars a year income, or three thousand dollars a day out of the situation. That would be about three eighths of a cent from each person to whom she gives pleasure, out of the perhaps fifteen cents on the average paid by all at the box office. In the aggregate she takes a colossal sum out of the pockets of the "People"; but does she not deserve it? Does not each one of them get the pleasure, the human service, expected from Mary, well "worth

the price of admission," *all of it?* Would there be any social justice in depriving her, by law or otherwise, of her minute reward from each and every one? I have never heard any one suggest such a thing; and I doubt if any one ever thought of it, except myself, in this search for an illustration of the just reward for social service. Yet it is precisely as socially *unjust* to deprive Rockefeller of his fraction of a cent per gallon, or Armour of his fraction of a cent per pound of beef, merely because one or other of them has created the machinery to serve many million people. When Mary was a little unknown actress on a single stage of an old-style theater her smile was just as pretty, I suppose; yet it could reach but a few hundred people, and cost them, say, $1 apiece. Now eight hundred thousand enjoy it at 15 cents apiece. Does she not deserve her reward from *each* one just the same, or even more? Though much of her work is mere trashy sentimentality, and though many regard the "movie shows" as on the whole demoralizing and wasteful of great opportunity, do not the "movie" magnates deserve their reward also when they bring *harmless* pleasure into the lives of hard-working men and women?

Not only are the great employers, financiers, and captains of industry entitled in all social justice to the minute reward they get from each of these they serve, but they equally deserve their reward from those they employ, to whom they offer, in competition with others, an opportunity to earn an honest livelihood. Whether we pretend with Karl Marx that employers steal from their laborers the surplus value created by them, or tell the truth, viz., that they collect from their *customers* the cost of service plus their own reward for rendering it, either way they cause each to serve the other, and are entitled

to reward from every one of both elements in Society. It is the unchanging law of trade that as the groups served grow larger the reward from each member for service rendered grows smaller. Nevertheless in the aggregate it is *huge,* and it is justly deserved. *Social Justice is done!*

I do not mean to say that in the endless flux of individual circumstance and trade conditions frequent cases of personal misfortune, bad faith, wrong and injustice, do not occur. They are bound to occur in the nature of human frailty. But no political institution in all history has actually gone so far to even up chances between man and man, and to open a vista of prosperity to us all, as the individual liberty and property right guaranteed by the Constitution of the United States.

In fine, I believe that entirely free and untrammeled operation of the law of supply and demand is the nearest human approximation to "Social Justice," as the colossal failure, here and abroad, one after the other, of recent bureaucratic attempts to fix fair wages, prices, distribution, and production of commodities has most abundantly shown. My profound conviction is that the less political meddling there is the greater social justice! We have become the most prosperous people on earth, from top to bottom of the social scale, by letting able men make large fortunes. We ought to keep our system going as it has been, until at least something that gives better results has been shown us.

CHAPTER XIII

FURTHER CLARIFICATION. MENACE OF CENTRALIZED LABOR CONTROL

THERE can be no doubt that the country perceives clearly enough that these giant strike machines are a menace to a free people; that in the very nature of modern life a few laborers who man the switches, valves, and tracks of our great utilities, the terminals of our railroads, our coal mines, police forces, hospitals, etc., can inflict unbearable disaster on us all by quitting work all at once. Day by day the talk grows louder and louder that the community has the right, nay more, the duty, certainly the power, to protect itself. Nevertheless, in our jealousy of the individual liberty of the free American citizen, in our sympathy with the poor workingman as against the rich corporation, in our anxiety to do "Social Justice," we hesitate to do our duty and exert our power.

Meantime, Mr. Gompers thunders out the defiant assertion of the right to organize, the right to strike, and the right to bargain collectively; denounces as compelling "involuntary servitude" any law forbidding railway strikes; declares un-American and undemocratic laws forbidding the formation of unions affiliated with the A. F. L. among government or municipal employees.

Governor Coolidge quietly rejoins to Gompers' fulminations, that "there is no right to strike

against the public safety, by anybody, any place, any time," a shot that hits the bull's-eye.

The issue is joined, and in meeting it we clearly need further clarification of ideas. Washington dispatches of April 11 say that the Republican National Committee has submitted a "questionnaire" to Mr. Gompers to ask his orders, or perhaps his objects, in entering the campaign of 1920. Here they are as he gives them:

A forty-four-hour week (perhaps forty-eight).
The right to organize, even government employees and teachers.
Exemption of labor from anti Trust laws.
Right of employees to bargain through outsiders, not co-employees.
The right to strike, even against public welfare.
Abolition of injunctions in labor disputes.
Free United States Government Employment Agencies, presumably monopolies, in whose management Labor shall have a voice.
Wages raised to point obviating need of pensions, etc.
Equal pay for equal work of man or woman.
No child labor below sixteen years of age.
Elimination of employers' welfare and uplift work, monopoly of such work by labor organizations.
Opposition to Kansas Industrial Court as "antidemocratic."
Legalization of the sympathetic strike.
Legalization of the boycott, as last resort.

Of these objects, the forty-four-hour week, wages obviating pensions, etc., and no child labor need no particular discussion here; but the others are vitally interesting. If attained they will continue that huge, rich, irresponsible, centralized labor autocracy which Mr. Gompers now dominates, and is determined to perpetuate through the ballot by election of subser-

vient Congressmen. It is time to wake up, open our eyes, *understand* him, and *beat* him at the polls.

To begin with, most of us have carelessly and sympathetically interpreted his demand, "the right to organize," as meaning merely, that a lot of poor fellows hired by the day by a rich employer, subject to discharge without notice, with or without reason, ought to be allowed to get together for their own benefit and say to their employer: "It is one out, all out, with us. We have talked our jobs over with each other, and if you cannot change them to suit us we will all quit at once. If you can stand it we can. We are not satisfied as we are."

Thus interpreted, we have said: "That is perfectly fair. The employer can drop men without notice; singly they would have little chance against him; acting together the balance is more even."

But Gompers' "right to organize" means much more than a mere union of employees of one employer spontaneously associating themselves for "collective bargaining" with that employer.

Here is, let us say, a factory force of men who have never been "organized," who have come voluntarily one by one to accept jobs from the same employer because they were individually satisfied with work and wages offered. Seeing them thus happily and busily employed, Mr. Gompers, or one of his lieutenants, says to himself: "Here are five hundred men who are not paying union dues. Let us organize them." So he sends well-paid organizers, —his unions have plenty of money, —one for each craft employed; let us say one for the carpenters, one for the blacksmiths, one for the machinists, —to invite each workman to join a local union of his own craft whose existing members work for the most part in *other* shops. There may easily be five

or ten unions that take part in unionizing this shop, each of which is affiliated with a national organization of like unions, which in turn is tied into the American Federation of Labor. The local unions are also sub-federated into state and city Federations.

In consequence, the unlucky shop thus organized finds its labor troubles tied and cross-tied, tangled and cross-tangled, into those of a perfectly indefinite number of other shops, trades, and localities, with ramifications which no man can possibly forecast; yet always, "Bunty pulls the strings," all of which lead back into one central, powerful, and irresponsible grip, that of the master of the A. F. L.

Next comes the "demand" for "collective bargaining"; that the employer shall modify his existing offer of work, wages, and conditions, whether or not it suits his will or pocket to do so, in order to remove "grievances" oftentimes formulated quite outside his own shop or force; that he shall deal with men foreign to his employ and be controlled by conditions over which he has no control; that he shall "recognize" the union, and ignore or discharge old employees who do not choose to join it, or be punished by a strike; that whether he will or no, he shall deal not with individuals as before, but with a collectivity, whose orders (and not his) the man who takes his money shall obey.

I submit to you, gentlemen of the press, that *not in good conscience, in law, or in constitutional guarantees, can there be found any warrant for stretching* the so far unquestioned right of the individual, free, American workman to unite with his co-employees in peaceful refusal to continue work, or accept wages offered by *his own* employer, into the right of *outsiders* — say Mr. Gompers with his huge and immensely wealthy strike machine — to spend

millions in organizing *all* labor, in *all* employments, into one great Prussian army, strategically disposed to coerce single employers, one by one, or at will to paralyze whole industries, even the life of the nation; by the local, or regional, or general strike, original or sympathetic, or by the boycott, involving countless innocent sufferers in no way parties to the dispute.

Yet just this absolute, centralized, irresponsible power, to starve, freeze, rob us all and singular; "the right to strike against the public safety," as Governor Coolidge puts it, is precisely what Mr. Gompers openly demands of the Republican National Committee in reply to inquiry. "The right to organize" *means* to Gompers nothing less than the *centralized autocracy of the Federation of Labor,* with which, according to Gompers' closing words (on page 474 of the Report), the railway Brotherhoods now affiliate. "Exemption from anti-trust laws" *means* that "*Labor*" may *commit certain crimes without criminal penalty.* "The right of employees to bargain through representatives not of their own number" *means* that employers *shall be compelled by law to bargain* with their employees *only through the A. F. L.* Collective bargaining *means* compulsory bargaining, *forced* on the employer by Organized Labor.

"The right to strike" demanded for government employees and railway men *means* that the A. F. L. may at any time hold up the life of the community. "Abolition of injunctions in labor disputes" *means* that the courts shall not in advance restrain strikers from doing violence and crime, but shall *permit* them to do both, running only the slight risks of trial by jury, with punishment if any, long *after* irreparable mischief has been done—all of which quite suits Labor.

For fear that workingmen may still steer clear of organization, Mr. Gompers would create a government monopoly of the employment agency business, in whose management the Federation shall have a voice; that is to say, there would be but one office to which a laborer can turn for a job, managed by friends of the Federation, though paid for out of the public purse. He would also forbid by law that any welfare or uplift work be done by employers, and give to Organized Labor a monopoly of that work too, apparently urging such monopoly for fear that welfare work is a little game of employers to promote friendship and good will with their employees.

Finally, Mr. Gompers demands of his Republican friends opposition to the Kansas industrial courts, just as he has always voiced opposition to *every* proposal — whether coming from Congress, the administration, the employers, or the press — looking toward any kind of impartial justice, compulsory arbitration, prohibition of strikes, direct dealing between employers and individual employees, or limitation of negotiations to the single establishment with its own men, disentangled from all others.

In short, Mr. Gompers has the simple but gigantic conception and purpose of coaxing, sweeping, or driving *all* of the whales or minnows of Labor and Capital into one vast dragnet of which he holds the draw-string, letting not a single one escape to the ocean of lawful liberty; now and then hauling the whole struggling, gasping mass out onto the sand, taking part for food, and throwing back the rest until he wants more.

Or perhaps, looking further ahead, Mr. Gompers realizes, as you gentlemen must realize, that though government is the greatest of all human activities,

yet *collectively* the industries are greater than government, and he who dominates them will dominate government also.

The coal and railway strikes, the current general strikes in Germany and Ireland to which their respective governments seem to be yielding as I write, this 14th of April, prove the assertion. The able master of the Federation of Labor knows that if but that small fraction of our labor which mans our coal mines, our transportation and public utilities, can be held together in one compact machine, obedient to his hand; if, as he dreams, the voting power of that same fraction can be thrown solidly by him to this or that subservient politician, obedient to his order; if, as he demands of the Congressmen and other "statesmen" whom he owns, the gates of crime are thrown open to his machine and the defenses of law thrown down before it; if the nation, the state, the city, the railway, the private employer, the vast non-union majority of labor, are bound hand and foot by statute and thrown under his car of Juggernaut; if, I say, his modest dream comes true, why *should* Mr. Gompers start a labor "Party," or waste his time upon the Presidency of the United States? He sounds sincere when he proudly says: "I have been the President of the *A. F. L.* for many, many years. I regard that position as the most exalted I could occupy." Verily, as things are today, the Capitol Hill at Washington, held by Democrats, — or Republicans, "*Arcades ambo*," — offers but a broad and easy gradient for Labor's motor car, its armored "tank," as it were, to roll up and onto the top of the world. How much more magnificent would its master be if his "guiding hope . . . for a still greater organization of the yet unorganized, the skilled and unskilled man and woman of whatever

color, creed, or religion" should come to pass! Think of adding, in this country alone, say forty million more workers, with at least four hundred million dollars more annual dues, to the strength and resources of this colossal private machine! Why need he bother with representative government as guaranteed by the Constitution after Labor takes charge? *One* organization, as he says, would "function perfectly."

Gentlemen of the press, there can be but one government in these United States! Ole Hanson hit and rang the bell of American public opinion when he said to the I. W. W. leaders at Seattle, "The seat of City Government is at the City Hall." Calvin Coolidge hit it when he said, "There is no right to strike against the public safety, by anybody, any place, any time."

CHAPTER XIV

CENTRALIZED ARBITRATION FAILS

To begin with, centralized arbitration is weak, because *Mr. Gompers fights* the creation of *compulsory* peace machinery, such as industrial courts or tribunals of arbitration, by whose decrees labor must be bound, and indeed opposes every move whatever for making and keeping industrial peace, unless made by and through the Federation of Labor. Washington dispatches of March 20 quote him upon the recommendations of President Wilson's second Industrial Conference as follows:

"The Conference has devised a mass of machinery to be made effective by law, composed of a national industrial board, and local and regional conferences or boards of inquiry. The whole situation in this respect may be summed up as follows:

"Tried and tested machinery for conciliation and arbitration between employers and employees exists wherever employees are organized. This machinery functions perfectly wherever employers forsake the spirit of dominance and the attitude of autocracy. No machinery devised or supervised by the government . . . could achieve results superior . . . In industries where the employees are not organized, no machinery of any kind, whether supervised by governmental agencies or otherwise, can produce industrial justice . . . With organization of workers no structure of machinery need be thrust upon it

from the outside . . . It is to be feared that the [President's] Commission views industry from the viewpoint of the single shop, and builds its machinery on the theory that disputes are to be settled shop by shop. If such a viewpoint is actually to be carried into operation it will be most disastrous. Unavoidably, organization with independent shop units of the employees is a menace to the workers, for the reason that it organizes them away from each other and puts them in a position where shop may be played against shop. Not only the welfare of the workers but the best economy for the nation demands that industry, in so far as possible, be viewed in a national light and that the workers be united into organizations covering whole industries, as is now the case with the one hundred and twenty national and international trade-unions."

Certainly no words of mine could etch President Gompers' portrait more clearly. "*L'État? C'est moi!*" said the French king. What is the use of government? says Gompers. My Federation of Labor is all that is needed, provided those d——d employers will just take off their hats, walk up to the captain's office, and *settle. We can do it all,* organize the men ourselves, dig up a grievance ourselves, call a strike ourselves, decide work and wages ourselves, fix both sides of a "collective bargain" ourselves, call off or keep up the strike ourselves, and remain entirely irresponsible all through, ourselves. "The fact of the whole matter is that the President's Commission, even though prompted by the best of motives, has neither the experience nor the understanding of the history of the methods and purposes of the Organized Labor Movement," etc., says the master of the A. F. L.

It is kind of Gompers, though a bit patronizing, to

let Messrs. Hoover, Rosenwald, and their associates of the second Industrial Conference, down so easily — as merely *stupid,* not evil intentioned; but they are not such fools after all. Gompers says: "Where the employees are not organized, *no* machinery, of *any* kind, whether supervised by governmental agencies or otherwise, can produce industrial justice." How then does he explain the huge fact set forth and established in Chapters VIII and IX *supra*, that for the last forty years *unorganized* labor has gained in wages and conditions of employment more and faster than Organized Labor? Does he consider it *industrial injustice* that non-union labor has so gained? Again he says: "This machinery [the A. F. L.] functions perfectly wherever employers forsake the spirit of dominance and the attitude of autocracy." Let me, as commentary on this last, tell a short story of my own experience with the A. F. L. in a typewriter factory of which I was head.

In 1903, after two attempts in 1901 and 1902, the Chicago Federation of Labor unionized my men and called them out, after having worked seven years in peace before the organizers came. (The latter, by the way, got a commission of two dollars a man for organizing two hundred and seventy men.) Six unions participated, — engineers, machinists, metal-workers, screw machine men, polishers, and japanners. The Chicago Federation delegates handled the strike. I *could not*, though I tried hard to do so, "bargain collectively" with the six "business agents" who kept on visiting me for nearly eleven weeks, because they were running strikes at the same time in a harvester works, an ice machine factory, a saw factory, a switchboard works, all of which employed members of the same unions as we did, but

whose size, product, seasonal activity, sales territory and methods, likewise their costs and overhead expenses, were so entirely apart from ours as to make it quite impossible for me to accept hours, wages, and shop conditions which were practical for them. I simply *had* to fight a long strike alone and to a finish, and we came out a *non-union* shop, with a sadder and wiser lot of workmen; for their unions could get them out of one job, but could not get them back or into another. The machine did *not* "function perfectly."

Take another illustration, the New York harbor strike now on (April 10). It grows in some obscure way out of trouble between the United Fruit Company and the coastwise longshoremen: first taken up by the Master Mates and Pilots Union, then by the Marine Engineers, and the Harbor Boatsmen. The Erie Railway sold some tugs it no longer needed to an independent towing company that worked over eight hours a day, and the unions "struck" the Erie Railroad Ferry Service, and then the other great roads serving New York, on the ground that the Erie sold the tugs in order that they might move the United Fruit boats after hours. The thing is too confused to prove much of anything, except the infernal mischief of tying all those unions together, so that the great harbor of New York, half a dozen trunk railroads, and several hundred thousand people are the victims of a controversy with which they had absolutely nothing to do. New York dispatches of April 4 quote Vice President Maher of the Marine Workers, the leader of this harbor strike, as announcing plans for a *national* strike of six million men, to head off this move of the Erie Road against the eight-hour day! Can this be called "perfect functioning" for peace?

A multitude of similar instances must come to the memory of you, gentlemen, who keep abreast of the news. It stands to reason that every difference of every concern with its employees, if organized by Mr. Gompers, is tied into those of countless other concerns and localities, involving ramifications which no man can be clever enough to foresee or innocent enough to escape; yet always all the strings lead away back into one focal grip — that of the tortuous master of the A. F. L.

An amusing little sidelight is thrown upon the perfection of the functioning of Mr. Gompers' "tried and tested machinery for arbitration and conciliation," and the energy with which it grinds out industrial peace(?), by the following Resolution, No. 61 (see Report for 1919, page 461): "Resolved, that this Convention of the A. F. L. go on record to do all in its power to adjust this strike of seven (7) years' duration, for the benefit of the International Union of Steam and Operating Engineers." Think of it — *only seven years on strike* in the Chicago brickyards! However, "the smoke flew up the chimney just the same," and the bricks came out of the brickyards just the same, all during those years!

Of course Mr. Gompers does not want the Industrial Conference to get Capital and Labor into the horrid habit of settling their difficulties themselves, shop by shop. Of course that *would* be disastrous to Organized Labor. Of course he wants our laws to establish forever this childlike and blind proposition: that his huge centralized strike machine is the one and only mill to grind out first war, then peace, in industry. Does he not, gentlemen of the press, remind you of that innocent Kaiser who a few years ago made some delicious jokes to the effect

that he — mitt Gott, an iron will, shining armor, a mailed fist, the greatest army and next to the greatest navy on earth — dreamed of nothing but world peace and a quiet "place in the sun"?

To do Mr. Gompers justice, however, judging from world-wide experience, we may well agree with him in expecting little or nothing from the Industrial Board recommended by the second Industrial Conference, or from the Railroad Labor Board set up by recent act of Congress, in the absence of lawful power to enforce a decision. The weakness of these great centralized, semipolitical, semijudicial tribunals for meddling with highly local and entirely commercial questions is threefold and fundamental, viz.:

The first difficulty is that there are very few common underlying conditions upon which general rules governing particular cases can be based. Nothing is more absolutely local, more entirely bounded by special conditions, than the workman's relation to his job. Each case in practice must be a law unto itself. Furthermore, even where justice is evident, if the men are not *there,* where the job is, or do not like it for any or no reason under the sun, the places will not be filled, nor the work go on; and unless the men break their contracts in quitting work, — or break some law yet to be enacted under which they accept work originally, — it is safe to say that no American authority will ever force them back to work. That would indeed be what Gompers calls "involuntary servitude." In a free country the law may say "thou shalt *not*"; but it can seldom say "thou *shalt.*" If you, gentlemen, will look back over past history of the labor troubles, great or small, of your time, you will note that in the last resort, whether with or against the volition of the great labor organizations, settlements are eventually arrived at *locally;* by each

local management with its own men, conformably to local conditions and factors compelling both sides. Take, for instance, the great steel strike of last fall; which, I think, has never been "called off" by the twenty-six unions involved. It has died a natural death long ago, "petering out" locally, first at one plant and then at another, as man by man the strikers returned to work or were replaced. Or consider the recent soft coal strike, called off under order of the courts, but here and there kept up by *local* malcontents,—in Kansas, for instance,—local conditions prolonging or ending it.

Or, for an unimportant but most significant instance, consider the strike of 1903 in my own typewriter factory in Chicago, already cited. Strikes were called simultaneously in a lot of shops besides our own, in other lines of manufacture, but all for an eight-hour day and twenty-five per cent increase in wages.

We were working ten hours a day in competition with much larger factories in *country towns* in New York, Connecticut, and the West that also worked ten hours a day. Only by producing the maximum output of which our machinery was capable in a ten-hour day could we meet that competition. No regional industrial court, if called on to consider that strike, could have ignored the fact that a large number of Chicago shops—though in other lines—that year had accepted a nine-hour day. Yet we were forced to stand out for ten; no nine-hour award would have been practical for our acceptance unless it compelled our distant competitors also to run nine hours instead of ten. Our men finally realized that they had been *talked* into striking a perfectly fair job; they came back, most of them, and we went on, strictly *non-union*, thereafter, governed by purely

local conditions. The Gompers machine did *not* function.

In short, nothing really settles a strike at any given point — whether part of a larger strike or not — except agreement finally reached between local management and local labor supply; and it must inevitably be based upon wages and conditions, necessarily governed by locality, which the management can see its way temporarily or permanently to offer, and labor can equally see its way to accept.

What, then, is the sense or logic of endeavoring to pry apart these two real parties to the bargain which must eventually be made, and insert between them a *tertium quid* — ponderous, distant, and ignorant of or disposed to resist the local forces, which must ultimately prevail? The only reason whatever for so unnecessary and senseless a procedure is that exactly this thing has become familiar; has so often been done by the Federation of Labor and the Brotherhoods and the I. W. W., under leaders whose conspicuous and gainful jobs depend on keeping Capital and Labor apart. Our politicians reason that wherever Gompers chooses to drive his great Federation wedge in to split the oak of industry wide open, Congress must patch up by quickly applying turn-buckles, or steel bands, in the form of governmental pressure, to stop the cleavage and hold the sides together.

But why not simply *knock out the wedge* and *forbid driving in any more;* — forego the constriction of restraining bands, and let the cleft trunk close and heal naturally? As for the sound, unhurt trees of the forest, why not let them grow strong and great in peace?

The second difficulty with centralized arbitration is the element of *time.* Business of all kinds, especially public service, is necessarily constructive, not

deliberative. Every head of a large organization knows by repeated experience that he must *decide*—keep the wheels turning—do things. It is inevitable, in prompt decision, that he will sometimes blunder and do the wrong thing. If so, he finds it out, and takes the back track as fast as possible. Such errors are expected, excusable, part of the game; but to *delay,* doing nothing, is inexcusable, fatal to constructive work.

The necessary delay in settlement of labor disputes, especially actual strikes, involved in submitting them to central judicial tribunals, would probably cause avoiding appeal to them in most cases. A court can't force local conditions to square themselves with theoretic general desideranda. Every day that a plant stops output is nil, overhead cost is wasted, and trade is lost; every day the laborer idles, just so much pay is gone forever. Speed in coming to an agreement is vital.

No better proof of this weakness of centralized arbitration and conciliation could be asked than the present "outlaw" railroad strike, caused, as the strikers say, by *delay* of the President in appointing the Labor Board, which was to make good his last year's pledge to reduce cost of living or raise wages. The statistics of 36,757 strikes and 1546 lockouts between 1881 and 1905, compiled by Commissioner of Labor Carroll D. Wright, show, from their average duration of strikes, twenty-five days, and lockouts, eighty-five days, that workingmen get down to the settling point far sooner than employers—the majority of workmen are not financed for idleness beyond thirty to sixty days. Unless the central industrial tribunal shall function faster than any other judicial tribunal yet devised by man, both employers and employees will starve out, and be forced to settle

directly with each other before the court gets around to try an average case; after that it has no power to enforce its decree, and none is needed.

These objections apply with peculiar force to the Super-Labor Board of the League of Nations, for it is impossible to conceive of its acting in particular, even in important, cases, so as directly to help the labor involved. Imagine, for instance, trying the Lawrence textile strike of 1912, or the present "outlaw" railroad strike, or the Boston police strike, before the League tribunal at Geneva, Switzerland, or even before a regional tribunal here. How long would the workers wait for its decisions, and what international military power would compel the Lawrence mills, or the City of Boston, to obey its tardy decrees when rendered? I am probably of a most "pygmy mind," but I cannot for the life of me see anything *real* in that Labor Board of the League of Nations but a lot of solemn, pretentious, highly paid, exceedingly soft, and *absolutely useless jobs* for ex-labor leaders, whose pronouncements will have about as much effect on the daily ebb and flow of American work and wages as our radio experts' high-tension waves out in Nebraska recently seemed to have on the currents of the canals of Mars.

The third difficulty — and perhaps the most decisive in many minds — is that *Mr. Gompers himself objects* to any governmental method of settling labor troubles; unless so contrived that the A. F. L. controls the settling, which brings us back to the precise point whence we started.

Let me here once more sound the note of decentralization, of simplicity; of American common sense, if there is any longer virtue in an appeal to that former characteristic. When I hear our Cambridge sociologists talk about the rights and aspira-

tions of LABOR, the greed and autocracy of CAPITAL, and the duty and culpability of SOCIETY in the premises, they remind me of runaway balloons filled with buoyant gas, with no anchor rope to tie them to the solid ground of fact; mounting higher and higher into the glittering clouds of collectivity and generality, until the rarefied atmosphere no longer can hold in their swelling mentality, and they burst. Some president, Wilson or Gompers, or both, supplies the gas and cuts the anchor ropes; for those gentlemen, quite unlike our sociologists, know exactly what they want, and how to use what the French call *ballons d'essai.*

Never mind them; it is the average voter from whose mind we should clear the pernicious habit of thinking in imaginary collectivities. "Capital" and "Labor," for instance, are mere words, like "Society," denoting collectivities that do not exist or act as such. What really does exist and is called Capital is a great diversity of industries, several hundred of them; in a lot of different places, several thousand; subdivided into some 8000 concerns employing more, and over 400,000 employing less, than 250 hands, hardly any two of which are exactly alike in anything but their employment of Labor. There are miners, manufacturers, bankers, merchants, etc. — limited groups that sometimes act collectively for limited objects in a limited way, but never act collectively as Capital. Messrs. Parry, Van Cleave, and Kirby, for instance, fifteen years ago, tried in vain to solidify against the Federation of Labor even so small a number as the then 3500 members of the National Association of Manufacturers, out of over 300,000 employers. Wall Street never holds together on anything. There really is no such thing as a Capitalist Class, no class consciousness

or concerted action. Selfishness, individualism, is the foundation of Capitalism.

There is no such collectivity as *Society*. There are Democrats, Presbyterians, Prohibitionists, bricklayers, doctors, etc., who respectively act collectively once in a while as such; but when do they act collectively as Society?

As for Labor, here we have 45 million laborers, of, say, 200 crafts or trades, of whom 4 or 5 millions are members of some 35,000 unions, and full 40 millions are free and unorganized. Wherein do these millions act collectively as Labor?

When, therefore, the President solemnly "passes the buck" to Congress last fall as follows: "Surely there must be some method of bringing together in a council of peace and amity these two great interests . . . some acceptable tribunal for adjusting the differences between Capital and Labor," one wonders how he proposes to fetch the two parties into court. Mr. Gompers will not let his big unions come in for fear justice would be done, apparently. He wants no peace but one dictated by the Federation of Labor. As to all the rest, my little typewriter factory strike shows what actually happens.

The Federation got into the factory, unionized it, and struck for an eight-hour day and twenty-five per cent advance in wages. The questions put to me as president were simple, and in no way concerned with the "sanction of society" for an eight-hour day, as announced by the President twelve years after; nor with the "aspirations of labor," a phrase not then invented. They did have a little to do with the "democratization of industry," though not then so called; for shop discipline was to be taken away from the management and turned over to a committee of the hands. They also touched the "rights

of labor" a little, as we were to discharge all men who did not join the unions, and take out of the pay of all union members their union dues, fines, etc., and pay them over to the union treasury on the "check-off" plan. They boiled down to two: Could the company pay the wages and work the hours asked, and successfully meet the competition of other manufacturers? Also, could the company satisfactorily work men who took its wages but not its orders, obeying first their unions? My answer to both, dictated by circumstances quite beyond union control or our own, was *No*. The question then came up to each man individually: Could he get a better job, or any job at all, without going to another city for it; and if not, was our job good enough to throw up his union for and come back to? Two hundred men answered to this last question, *Yes*.

Now I submit to you, gentlemen, that all the Presidents of the United States, all the Arbitration Boards, if created, all the sociologists and collectivists that ever plastered themselves over society, could not aid either myself or the men concerned to answer those simple questions. Local conditions, which no one knew so well as those directly involved, answered them beyond dispute, automatically.

If, then, Gompers and the big unions don't want an Arbitration Board, and the 400,000 small employers and the 40 million non-union workers can't use one, why create it at all? It might now and then settle a strike; but there is no need of a Krupp gun to shoot sparrows. Are there not enough useless bureaus and salaries at Washington without asking for more?

Collective or standardized harmonization of the infinite variety of differences that arise between so many thousand employees and million workers in so

many hundreds of trades and places is a rank impossibility, beyond human wisdom to accomplish. It was never thought of until recently, and would not be thought of now but for the great centralized trades-unions, whose votes the politicians fear and whose strikes the people have learned to dread. If there was reasonable likelihood that centralized arbitration would either suit Gompers or preserve industrial peace, there might be some sense in creating a second huge machinery to counterbalance the first. But as the second is no good, and the first is a menace to the nation, why not simply cut them both out, and go back to first principles of keeping the peace and enforcing the law along the picket line, the one certain cure for strike fever?

Collectivitis is a mental disease, a bad habit of thought, that makes not only our clergy and sociologists in Cambridge, New York, Wisconsin, and elsewhere, but also many of our statesmen, quite incapable of thinking except emotionally; and in terms of "aspirations," "democratization," "problems," "interests," "councils," "tribunals," of "Labor," "Capital," and "Society." I note here in Cambridge one good sign, however, — that the "new order" does not as yet revolutionize private life. The "sanction of society" has not yet established the eight-hour day for housemaids; nor has the democratization of industry gone so far that the cook may invite the mistress to discuss whether cooking or playing the piano is the duty of the hour. Nor may the cook even refuse to cook, refuse to leave, and refuse to let any other cook take her place, — on the score of her aspirations, — at least *with the consent* of her "autocratic" employer. The lady still feels that if the cook takes her wages, she ought also to take her orders. *Laus Deo.*

CHAPTER XV

LABOR LEADERSHIP. MR. GOMPERS

LET us give that interesting and important personality, Mr. Gompers, the "once-over" anyway. He is entitled to it, for the free use made of his name so far; and he comes pretty near being the whole labor-show. Except for a single term he has been re-elected president of the American Federation of Labor for thirty-nine years, I believe; and before the Federation he was a power in his own union, the cigar makers'. Under him the Federation has grown to its present great size. One ambitious worker after another must have arisen to dispute his leadership; yet with one exception he has beaten all rivals and scored thirty-nine annual reëlections. An extraordinary record — unparalleled, as far as I know, in the history of democratic institutions of any magnitude! He must be exceedingly loyal to his associates, and to the great organization he has created. He is said to be by birth an English Jew; but he ought to have been a Prussian, for he is as ruthless as Bismarck. Here is what he says of himself (Report, page 106): "I want more, more, more for Labor. I think I have tried, and am trying to do my share . . . I have been the President of the A. F. L. for many, many years. I regard that position as the most exalted that I could occupy . . . I ask that the trades-union movement be given its fullest opportunity for growth and development, so that it may be the instrumentality to secure better,

and better, and better, and constantly better conditions, for the workers of our country . . . I am 68 years of age, I have been tried and seared as few men have . . . somehow or other I believe that there are yet considerable years of fight left in me for Labor. . . . The only thing I can leave to my fellow men is that I have helped to bring about a labor movement in our country that is better, more comprehensive and more united than in any other country on the face of the globe." Elsewhere he says (Report, page 474): "when we have in mind the respect we have instilled . . . the tremendous achievements of our movement in bringing light into the lives of the toiling masses of our country, when we know of the influence we have exerted even with the comparatively small number yet organized, it is the harbinger of hope that as time goes on, if we are to be true to . . . the fundamental principles and high ideals of our movement, it is enough to inspire one and all to greater activity and service. It is a privilege to live, contributing so much of service . . . for the years to come let it be our guiding hope to work for a still greater organization, . . . of the yet unorganized, the skilled and unskilled of whatever color, creed, religion . . ."

These words *sound* sincere. I heard ex-Secretary Redfield the other day publicly refer to Mr. Gompers as an "unselfish and useful man"; and so say many of the important men who know him personally, as I do not. Furthermore, he is said to be merely comfortably off; not rich, as he might easily be, either from the enormous revenues of the federated unions, or from use of his great organizing ability in private business for his own benefit. (The late John Mitchell, for instance, died recently worth a quarter million dollars; which shows what an able

labor leader can earn. I do not wish, by the way, to assume that there was "tainted money" in Mr. Mitchell's fortune; concerning which I know nothing, except that the newspapers mentioned it when he died.) Mr. Gompers may perhaps wear diamonds and ride in an automobile — these things appear to be merely the recognized insignia that go with labor leadership, just as *pearls* and motor cars go with captaincy of industry; yet his salary, $10,000 a year, — recently raised from $7500, — is modest, considering his work. He seems not avaricious of money; perhaps does not care even for personal power and fame, though that would be natural and legitimate if he did.

The activities of his organization are colossal. The Report of its conventions are almost state documents. The work of its committees, especially those on reconstruction, legislation, and education, show a far-reaching intelligence and efficiency that decidedly surpasses that shown by many legislators and educators on whom they keep watch; for their own interest, that is.

Were their aims not so selfish, their work so sinister in its bearing on morals, economics, and politics, that work would be as admirable as it is extraordinary. Evidently there is ruling mentality of high order at work, which must belong to, or be found and controlled by, Mr. Gompers himself.

I would classify him as an enthusiast, a fanatic if you will, devoted to "Labor," — which has probably become to him, like "Kultur" to the Prussian, or the Empire to the Japanese, an impersonal and dominating idea, — to which the individual workingman belongs, to which he owes blind loyalty; which can do no wrong; whose welfare outweighs all moral considerations.

Otherwise I cannot understand how he can fight so ruthlessly for monopoly of labor, for denial of the non-union man's right to work, the employer's right to hire; for combination to coerce, the right to strike and starve or freeze us all — to deny the baby its bottle of milk and the washerwoman her hod of coal.

Even harder is it to understand how a man of his mental grasp, if he *is* unselfish and sincere, as his friends declare, can fail to see and recognize the criminal blunder (which I hope you, gentlemen of the press, will verify) established by indisputable records, namely: that union practice of monopoly, coercion, and sloth actually and necessarily *hurts* rather than helps *his own constituents,* the union laborers, — reacting on them and their country morally and materially, benefiting no one but himself and his associates. Nor can I understand how a patriot of his ability and experience, *if* sincere, can shut his eyes to the fact that his entire political propaganda — urging the use of the "labor vote" solely for the laborers' class advantage; attacking police and military power, if used to keep the peace in "industrial warfare"; attacking the authority of the supreme courts to keep our legislatures within their constitutional powers — that all this strikes at the very roots of our constitutional, American, republican form of government.

Congressman Blanton is not so uncertain about Mr. Gompers' sincerity as I am — when I read what such men as Secretary Redfield, and the distinguished members of the National Civic Federation, in which Mr. Gompers sits as Vice-President, who know him personally, as I do not, have to say of him. Here is part of Mr. Blanton's summary of Mr. Gompers' recent unpatriotic acts, as spread upon the Congres-

sional Record, February 4, 1920. Blanton charges that Gompers:

Opposed by letter, August 14, 1918, the Thomas "Work or Fight" amendment to the draft law, restoring laborers to draft classification should they "strike" war work, for doing which they were exempted.

Permitted the calling of approximately six thousand strikes during our eighteen months *in the war*, as tallied by Department of Labor.

Opposed successfully making Government Department clerks work eight hours instead of seven when increasing pay $120; threatening a "walkout" of all employees in the middle of wartime.

Aided Railroad Brotherhoods to force repeated wage raises during war by threats of strikes, and in 1916 to pass the Adamson Law.

Threatened a revolution if Congress should pass an antistrike provision in the Railroad Bill.

Denounced the President and the courts for granting an injunction against the soft coal strikers — and threatened revolution.

Denounced and tried to defeat Governor Coolidge for his action in the Boston police strike.

Denounced prohibition and threatened revolution unless laborers get their beer and wine.

Killed the antisedition bill asked for by the Attorney General last January, aimed at anarchists, "because it interfered with the aspirations of Organized Labor."

The Congressional Record contains the detailed proof sustaining these charges, — January 29 and February 4, 1920, — which is too long to quote here. Mr. Gompers denounces the Congressman who put these things in the Record as "*blatant, bleating, Blanton*"; but the record stands there just the same.

Congressman Blanton's charge, that Organized Labor called 6000 strikes during our participation in the great war, calls attention to Mr. Gompers' repeated references, at Laredo and elsewhere, to the patriotic "sacrifices" made by Organized Labor to win the war. It is worth while to glance at the record, and ask what it shows to support Mr. Gompers' vociferous claims.

While I would not for a moment question the genuine patriotism of the American laborer, union or non-union, it is hard to perceive wherein Organized Labor made any sacrifice that should entitle it to any change of status hereafter, as a cash reward of virtue.

As a matter of fact, Organized Labor is largely skilled labor, and was deliberately kept at home, far from the perils of the fighting line, by the Selective Draft, for the one purpose of maintaining output of munitions and supplies. Not having the statistics at hand I cannot say what percentage of union labor, as compared with non-union, was called to the colors; but it must have been small. Skilled labor largely *remained at home,* working for the shortest hours and the longest pay checks in history. The whole effort to make Congress award a bonus to veterans of actual service is in order to put them on an equal footing financially with those who stayed safe at home, *coining money.*

When, therefore, Mr. Gompers talks of Labor's *sacrifices,* does he mean to claim credit for calling only 6000 strikes instead of perhaps 20,000; or for not holding up the taxpayers of his country for still higher wages than the highest ever known? Just where does the measure of patriotism come in that differentiates the 4 million organized laborers from the 44 million unorganized, listed by the Selective

Draft Boards? Can *you* answer this conundrum, I wonder?

I put another query up to you: Is Mr. Gompers a demagogue; or an honest fanatic; or a good deal of both? What is your opinion, gentlemen?

CHAPTER XVI

THE RAILWAY BROTHERHOODS

I HAVE called attention to the fact that the wages of the locomotive engineers have risen proportionately far less than non-union wages in the last forty years, despite the admitted strength of their union. The same is true of the firemen and trainmen. It is true that there has been the powerful influence against raise of wages of the action of the Interstate Commerce Commission in forbidding natural and legitimate advance of railway service rates during the past twenty years; which has held railway income to starvation figures and nearly wrecked that enormous and vital industry. It has been impossible for the railway managements to pay higher wages without higher income (in fact it is in general true that a losing business cannot pay good wages); and meanwhile, as the railways are the only employers of railway labor, the unlucky railway employees have had to go without their proportionate increase of pay, or else *get out* of railway employ — which most of them are too old or too timid to do.

This case is a complete and very broad demonstration of the fact that *unions cannot control wages;* but that on the contrary they are absolutely governed — first, by ability of the trade in question to pay; and second, by local supply and demand for the labor in question.

It is one more proof of the *uselessness* of great national strike machinery.

It should be said, in justice to the Big Four Brotherhoods, that their purpose and temper are very different from that of Mr. Gompers' Federation; as appears both from their past record and their present attitude in standing by the railways against the so-called "Outlaw" strike now pending; and also from their Constitution. The Locomotive Engineers' Preamble says:

"The aim of the employer and the employee being co-ordinate, the aim of the Organization will be coöperation, and the cultivation of amicable relations . . . and to guarantee the fulfillment of every contract made in its name."

The Constitution of the Brotherhood of Railroad Trainmen in its Preamble says:

"Persuaded that it is for the interest of both members and their employers that good understanding should prevail, the constant endeavor of the organization shall be to sustain mutual confidence and harmonious relations."

When we contrast the spirit of the foregoing with that of the Gompers' Preamble, asserting *struggle* between *oppressor* and *oppressed,* it seems most undesirable that the Brotherhoods should now regularly affiliate with the Federation of Labor, as Mr. Gompers announced at its last convention they were about to do. Perhaps their recent departure in advocacy of the Plumb Plan, and their threat of a general strike in support of it, show the influence of the rapid growth of the Federation of late years, and conversion to the Gompers propaganda. In the writer's guess both the Brotherhoods and the Federation have, for the moment anyway, touched high-water mark. Just as the disturbing pull of the moon can never lift the tides past the sand bars of the beach, so demagogy can never hoist Labor over the

settled barrier of human necessity. When Labor comes up against the public welfare, the latter is sure to prevail.

I do not doubt that the foregoing formal recognition of the mutuality of interest of the railways and their employees, together with the naturally high-grade character and large mental caliber of railway men, due to the largeness of their daily work, has held them back, perhaps against their own interest, in serving the community in recent years. I should like to give them credit for unselfishness.

I am here reminded of another factor that always slows down the raise of union wages, as against non-union wages. If a non-union shop is short a few men it can go out and quietly bid up for them until it gets them, without necessarily raising wages of all men on the pay roll. The union shop, on the contrary, must risk a general raise of the union scale if it has to bid up for a few men. Many employers prefer to pay more than union scale to non-union men, to keep them out of the unions, and for the sake of other advantages realized. I have done so myself. The same is done quite often in the soft coal regions. But I wander. It is generally true for obvious reasons that it is easier for the good individual workman to get a raise than to raise a whole union scale.

CHAPTER XVII

AUTOCRACY OF CAPITAL. TYPEWRITER AND BOSTON SYMPHONY ORCHESTRA STRIKES

IT is worth while in passing to put a value on certain sounding phrases which adorn Mr. Gompers' oratory, and are often echoed by widely different men and women among us; for instance, the "Autocracy of Employers."

Judge Gary is the pet "autocrat" denounced by all denouncers. I have already cited the Gary case at some length; let me — "*ut parva magnis*" — also cite for further illustration my own typewriter factory strike already referred to. My factory was small, myself far below the rank of an autocrat, the case like countless thousands in the minor industries, and no prejudice against multimillions should cloud any man's consideration of it.

The concern in question, the Remington-Sholes Company, was making a typewriter in competition with the so-called "Typewriter Trust," which had merged the five or six leading machines in one monopoly when formed. It was fighting that trust, had gone into a large and open labor market, — Chicago, — had opened a well-equipped and most comfortable shop, paid highest wages, and run along for seven years building up a perfectly harmonious and contented body of two hundred and seventy workmen. Its superintendent and foreman were popular, and not one dispute had ever clouded its sky. Its owners believed in the theory that a well-paid and

contented force of men is more than worth all it costs, and they acted thereon.

But those two hundred and seventy men were worth in dues to the local trades-unions, if organized, say, $1 a month each, or $3240 per annum; and the organizers who should round them up would get for doing so $2 each as commission, or $540 for a few days' work. So in 1903, a year of special labor unrest in Chicago, about two hundred of them were induced to unionize — joining one or other of six local unions, according to their respective crafts. They were promised by the organizers the eight-hour day — the factory then running ten hours; a twenty-five per cent raise in wages; a closed "union shop"; shop discipline to be controlled by a union committee; full pay for time lost on strike; the right to go on "sympathetic strike," etc., and were told that in future no non-union man would be permitted to hold a job in any shop in Chicago. As soon as organized, the men were called out on strike.

As heretofore explained, the little shop was competing with great ones of ten times its capacity, located in Eastern country towns, running ten hours a day and favored with lower wage rates. Its plant and force were balanced to full ten-hour a day run and output, at highest speed of automatic machine tools; it was barely making a profit, and to run less than ten hours meant certain loss, and ruin in a year or so. Before the strike was called I invited the unions to put expert accountants on the books and verify that fact, given as ground for refusing the union demands. The Business Agents of the six unions declined, saying that our books would be "doctored" to prove my words; and that anyway the unions were not interested in our profit or loss and did not care to do business with weak concerns.

They were going to put all Chicago factories on an eight-hour basis and twenty-five per cent increase of wages — and if our factory could not live on that basis in Chicago, it could get out of Chicago or out of business. I asked them then, What of our men whom they had just unionized: were they to lose their jobs? The answer was: They must sacrifice themselves, if need be, for the "cause of Labor." And the poor fellows did.

At the end of eleven weeks three quarters of them quit their unions for good and all and came back wiser and poorer men. The other quarter disappeared, and I suppose found other jobs. The men lost $45,000 in wages and we lost over $20,000 in carrying charges. The eight-hour day was not then generally established, though many Chicago shops went on to a nine-hour schedule that year. I do not know its length now.

There was almost no violence or bad blood at our shop, though there was elsewhere, and across the river the Kellogg Switchboard Company had a fierce and bloody battle with the same six unions, in which even girls were slugged, machinery was wrecked, harness cut, and vitriol thrown on girls and horses. We, however, closely imitated the Studebakers of Fort Wayne. They had met recent organization of their large force by quickly shutting down, and saying to their men that, having worked with them harmoniously for many years, they felt they could not get along any better with others. They would therefore not attempt to run or fill the strikers' places. If the latter changed their minds and wanted their old jobs back, they could have them on the old terms whenever enough men reported for duty to start the works to advantage. In the Studebaker case the men came back — *non-union* — after nine weeks. We

told our men and did exactly the same — and they found out that the unions could take their jobs away, but not give them back, in eleven weeks.

By the way, when we finally started up we had to fill some seventy vacant places and so advertised for men. Under the advice of a detective agency that made a specialty of strikes, we ran three different "ads" over different reply initials for each trade; for instance, "union polishers, closed shop" — "non-union polishers, non-union shop" — and "polishers, open shop." This was to head off union spies, answering all three ways — as some twenty-five actually did answer and were of course ignored. We received over 1000 replies, of which — and this is the interesting circumstances — nearly 900 were for the *non-union* shop! Many of the men wrote strongly, saying they wished jobs free from strikes, where they could work as hard and make as much on piece work or overtime as they pleased. Of course we filled up the shop very quickly with good men.

I have given this little story at some length because it is a very pretty and typical illustration of three things: the worked-up, purely artificial variety of "Labor Unrest" displayed; the utter failure of "autocracy," if attempted, on our part; and the still more ghastly failure of "democratization of industry," in a bullheaded attempt to force the *impossible* without investigation.

Our men had had no cause of complaint, and when they came back after throwing overboard their union, they said so; cursing themselves for having been fooled with promises of an eight-hour day and a twenty-five per cent advance, and for having been frightened of being driven out of Chicago unless they joined the union.

My own autocracy consisted in opening an attractive shop in Chicago and offering best going wages for labor in a lawful and useful line of manufacture, under best sanitary conditions, in competition with many hundred other employers. I could compel no man to accept or stay in my employ; as was manifest when my men quit incontinently as the walking delegate blew his whistle. Prior to organization every man had voluntarily picked our job from many, was glad to take it originally, and glad to return to it eventually. Meantime, autocrat as I was, I had to drop all thought of enforcing "wage slavery," or of continuing our peaceful and useful trade of making typewriters. I simply had to *sit down and wait* till our "wage-slaves" chose to return, after shopping around Chicago in vain, be it understood, for other or better jobs — which perhaps a quarter of their number actually found, and never came back at all; poor fettered creatures.

A little spot-light may here be thrown on trades-unionism. The detective agency referred to "*owned*," as its manager said, a labor leader in each union sufficiently high in office to furnish to the agency the unions' regular financial reports twice a month, also detailed reports of executive meetings, so as to inform me accurately just what each union was doing and paying out in the various pending strikes, our own included. The detective said the leaders were a bunch of grafters; and the financial reports looked that way. For instance, pickets were paid for doing strike duty at our factory for weeks after they had entirely disappeared from the streets, and were said by our men to have left town. *If so, who got their pay?* Again, a leading labor lawyer, known all over the United States as a champion of the downtrodden workingman, charged them (our

unions) many thousand dollars for services, defending sluggers, etc., during the few weeks I took these reports; just to the few unions concerned with our factory. Verily, he *was* a champion of the poor —*for a consideration!* He charged them in our case — we enjoined violence, and brought to trial a couple of sluggers — far more than our attorney charged us in the same case; which *we* won.

This experience made me very skeptical of the judicious and honest expenditure of the many millions paid in by poor men to the union treasuries; men who are weak in the knowledge of accounting, and helpless in the hands of their officers — whether honest or grafters.

One more story of the kind and we will pass to more agreeable reading: of the strike in the Boston Symphony Orchestra in February, 1920.

Boston's first citizen, the late Major Henry Lee Higginson, had nearly forty years before founded and supported the premier orchestra in the United States; not for profit, but for the sake of very perfect musical art. There was, as he well knew there would be, no money in it, but a sure annual excess of operating cost over possible box-office receipts; just as to run a university costs far more than possible receipts for tuition. The resulting loss Major Higginson paid for thirty-seven years, until an association was formed to take the load off his shoulders. If it was as costly as other orchestras whose finances I have known, that loss must have averaged at least twenty-five thousand dollars annually for all those years.

Nevertheless, Major Higginson persisted in employing the best musicians only, paying the highest salaries and giving the longest engagement known throughout the entire world of orchestra — domestic

and foreign. His men were the aristocrats and plutocrats of their profession; they played none but the best music, under the most dignified and agreeable conditions, and enjoyed the professional prestige of the first institution of the kind in the world; all of this at the expense and heavy personal loss of Major Higginson and some other lovers of good art.

But these musicians were not paying union dues. The local branch of the Musicians' Union affiliated with the A. F. L. said to them: "These men who pay that deficit are rich, and the audience that pay for tickets are rich; they are lying about a deficit anyway, and are making money. Don't believe the bosh they are talking about working for *Art.* What you want is *cash.* Join our union and strike! We will hold that crowd up for $1000 a year apiece additional salary for you boys all around. Also we will take the discipline and rules of the orchestra away from an autocratic conductor, and let you pass on them yourselves."

Two thirds of the members of this noble orchestra, this unselfish creation of a generous man, are said to have succumbed to the bait of a thousand-dollar holdup dangled before their eyes. They joined the union and promptly struck — out!

Very properly, the trustees decided that they were conducting an art, and not a commercial institution, under unique conditions of comfort, consideration, and compensation of the musicians, and at heavy cost to its supporters; and therefore that recognition of the union and dictation by it, in a purely selfish commercial spirit, was incompatible with art purpose. As every musician who had struck was bound by written contract, which he had violated, he was consequently discharged, pay to cease forthwith.

The men so discharged, who cannot find another

such engagement in the whole world, are now sadly wondering whether "democratization of industry" is all it was cracked up to be. Their places have been acceptably filled; and though it may be some time before it recovers its fine edge of perfect ensemble and blending, the great orchestra, after a very few weeks of anxiety, goes on its triumphant way.

I cite this instance to show how from purely mercenary motive union organizers come in, stir up causeless discontent, and lightly gamble with and wreck the profitable and friendly relations of men whom they pretend to serve. The case was aggravated by the attempt either to wreck a great institution, or to hold up those who already handsomely support it at heavy loss, for still heavier loss. The utter stupidity of an attempt to better the best existing job of its kind by quitting it, the contemptible selfishness of trying to rob a group of generous men, are so super-characteristic of Organized Labor that it is worth while to impale them here as the entomologist pins ugly spiders, let us say, to his specimen board, and puts them under glass for the students' convenient examination.

Of course Major Higginson and the Trustees who succeeded him were denounced as *autocrats* by some of our conscientious sociologists because they stood for good art, paid for it, and wanted what they paid for, quite oblivious of the charms of "democratization of industry."

CHAPTER XVIII

"DEMOCRATIZATION OF INDUSTRY." "RECOGNITION OF THE UNION." "THE CLOSED SHOP"

PRESIDENT WILSON'S Labor message to Congress last October or November calls upon it to "bring about a genuine democratization of industry, based upon the full recognition of the right of those who work, in whatever rank, to participate in some organic way in every decision which directly affects their welfare."

I suppose no language of President Wilson ever reveals or is intended to reveal an *exact* meaning, but he clearly implies that the "right" referred to, whatever it may be, is *not* now fully recognized, presumably by employers. Elsewhere in the same message he says, "An employee whose industrial life is hedged about by hard and unjust conditions, which he did not create and over which he has no control, lacks that fine spirit of enthusiasm and voluntary effort which are the necessary ingredients of a great producing entity." Here again he implies that the American employee *is* "hedged about by hard and unjust conditions," etc. There are some two thousand words of like camouflage in that message, containing not one line that Congress could act on, probably meant for perusal elsewhere.

As a matter of fact, the little tales of the preceding chapter, of the typewriter strike, the Gary strike, of every one of the seventy thousand strikes, and the thirty-four thousand unions organized by Messrs.

Gompers & Company, during the last forty years, give the direct lie to the President's implications. Every worker concerned in all that colossal record not only asserted "the right to participate," but *actually participated* in some organic way in every decision that directly affected his welfare. That right was established, and *recognized*, in the very fact that the man joined the union and struck. He and his union actually *made* every decision which directly affected their welfare, by accepting or rejecting the proposals offered by whomsoever it might concern. If rejected, there was an end of them; if accepted, there was an end of discussion; if modified, there was mutual agreement. In every case there was entire *recognition*.

If the President's nebulous verbiage means, as he probably meant his labor friends to infer, that Congress shall ordain that "Organized Labor" shall have the right not only to accept or reject proposals of employment, but also to *dictate their terms*, and *compel* employers to *offer them* as dictated, for acceptance or rejection, or even to discuss them, he is proposing to Congress not a "democratization of industry," but a tyranny of Labor, to which no human power can force employers to submit. "You can lead a horse to water, but you can't make him drink."

To sum up the situation: if "democratization of industry" means merely that laborers are to *have a say* as to employment contracts, whether unionized or not, they assuredly have an absolutely decisive say now. If it means that employers are to have *no* say as to such contracts, and that Labor unions shall determine them for both sides, then Labor must wade into politics up to the neck, for only *Government* makes such contracts. *There will be no other employer.*

If the President merely means that employers should invite the frequent and friendly conference of employees, by their representatives or direct, with shop managers, as is becoming more and more the fashion in large works, or should stimulate them to active interest in better conditions and growing production by such inducements as stock purchases, bonuses, profit sharing, and the like, then his "new relation between labor and capital" is but a very old familiar story, demanding no Congressional action whatsoever. In that case, however, as Mr. Gompers and his associates are dead set against every such device for effecting close and friendly team work between employer and employee, you, gentlemen of the press, may size up "democratization of industry" as just "sounding brass and tinkling cymbals" for the 1920 band wagon, and spell it Democratization!

The slogan "democratize industry," with its obverse "down with autocracy," is symptomatic of "collectivitis," started by Mr. Gompers and his friends to attract political support to Organized Labor; caught at by President Wilson as a useful, sounding phrase; and of wondrous appeal to sociologists who love to consider humanity *in the mass*, and hate to bother with the individual human being. If it means anything, — to come down to a concrete case, as I really must do in order to think concretely, though with apologies to all collectivists for approaching the actual — "democratization" signifies that the United States Steel Corporation, for instance, should let the manufacturing end, at least, of its business be run by a sort of town meeting of its 238,000 employees; or, let me say, to make the proposition as nearly practical as possible, that operation of each of the corporation's numerous plants should be regulated by town meeting of its own employees

(of course with due regard to the feelings of employees of other plants), or by "representatives of their own choosing," alias the A. F. L. How does the proposition strike *you*, gentlemen of the press?

Do you not recognize that, as centuries of experience have shown, there can be but one head, one controlling brain, to a living organism, that coördinates the movements of its hands, feet, mouth, wings, beak, claws, so that they work with and not against each other? Just so a single controlling intelligence is necessary to coördinate the movements of many men when organized for a common purpose. Especially is this true of laboring men, who have to take work from others because they have not brains to lay it out for themselves. The whole science of modern industry, against which under the pseudonym of Capital Mr. Gompers, the President, and our collectivists are for various reasons arrayed, consists in getting good work out of merely average or even stupid men. More explicitly, efficient organization of industry means gathering together enough average workers to form an adequate unit, and coördinating their labor *under a single mind;* which must be far enough above average to be capable of devising a routine which the average man can keep up to with good total results.

The essence of successful routine is *unity* of intelligent control. Even if workers were all brainy enough to take part in control (when they are, they generally *do so* as foremen, superintendents, and not seldom eventual owners), the old couplet would hold good:

"Many men of many minds; many birds of many kinds;
Many fishes in the sea; many men that don't agree."

On the other hand, if they are not brainy, merely average, we do not need to speculate on what might

be voted by many men of *no* minds. No capitalist would put a penny into their employment in "democratized industry," and the contingency would never arise.

I have studied the records of some five hundred profit-sharing plans, most of them failures, so far. The most notable instance of real democratization of industry that has come to my notice is the establishment of Godin, of Guise in France, long before the great war. In his lifetime Godin had arranged a system of division of profits remaining after paying all manufacturing costs, including the wages of labor at going rates, and what he called the wages (namely, interest at five per cent) of capital. The residue of net receipts remaining, after deducting certain percentages for depreciation, invention, management, and education, were divided between labor and capital in proportion to the "wage" of both, already paid as above. The share accruing to labor was not paid in cash, but in shares in the concern *bought* at par from *himself*, or from *any one who left* the employment of the concern. In this way the whole of the shares of the concern gradually passed from Godin and family into the ownership of the actual employees, and it became a true democracy. I have not heard what became of it during the war. It was in the fought-over district, and probably was looted by the Germans. You will note that Godin provided for invention, management, and education at the company's expense.

An interesting move in industrial democracy has been made by one of the great rubber companies at Akron, I think the Goodyear, which has over eleven thousand laborer shareholders and maintains a "university" of over five thousand students from the company's working force. I have not the details,

but mention it here as the real kind of foundation upon which democratization of industry can safely be built; of course by concerns that are big enough and prosperous enough to undertake so large an outside activity. There will not be many of them, *and they cannot be created by law.*

When I hear my Cambridge sociologist friends, who never employed a laboring man in their lives, talk so glibly about the "new order" and "democratization" in industry, I sigh for a breath of that old-fashioned virtue, obnoxious to President Wilson, called *common sense;* which might be defined "as a decent regard to the *experience* of mankind," if I may paraphrase the Declaration of Independence.

There is nothing of a "new order" in the art of managing men by treating them as human beings; it is at least as old as Socrates' precepts to Xenophon on the qualifications of a commander. "Knowing how to get good work out of men" has been a familiar phrase, and a prime recommendation for an industrial manager for several generations in American industry. It is true that until the trades-unions developed their vast machinery for creating industrial "unrest" there was no occasion for developing *counter* machinery, formally and specifically to make head against labor trouble and inefficiency. There certainly is such occasion now, but that is no reason why "society" should lose all sense of proportion in considering it, or indeed should worry over it at all. It can with perfect safety and propriety be left to the parties concerned to work out, in conformity with the organic law that governs us all, and with common sense.

A laborer is usually a man who undertakes to do a certain thing for a certain other man, and for certain pay, because he lacks the mind, the will, the

thrift, the courage, the poise, or some other essential gift, physical or mental, to create work for himself. He should be absolutely free under the law to accept or refuse the work and pay; but if he accepts one and takes the other, he should be absolutely bound under the law to do his task, for the period of his agreement. There can be no impairment of the obligation of contract, under our Constitution. Whether there be one or one thousand of him, there is no reason in law or morals why he should have a vote as to what the work which he has contracted to do should be; or why, when, or where it should be done, or who should do it, other than himself. *He has had his vote*, and cast it when he took his job. If he is unhappy in it, he can always quit, after filling his contract. So much for the law and the morals of the case.

As for the reason and common sense of it, the fact that there are many, many millions of laboring men, and that they always were, and most of them will always remain, laboring men, despite the brilliant rewards that wait upon the ability to manage, ought to convince our sociologists, inexperienced as they are in practical organization, that the great mass of laborers are simply *incompetent* to manage, not *fit to vote* on the complex questions which daily present themselves for immediate reply, in modern industry. All the rosy ideals of intelligent coöperation of an educated and interested working force smash head-on when tested, as in the Youngstown case elsewhere cited, into the average mentality of the average wageworker; just as, and ten times more than, the "initiative, referendum and recall" smash head-on when tried out, into the dullness and indifference of the average voter. The same amiable type of mind that dreams of "democratization" probably viewed

with complacency the referendum here in Massachusetts at the last election, on the "initiative and referendum" itself; perhaps the most important referendum ever staged anywhere, as it established all future referenda for all time in this great state. It was adopted, but by a minute majority of the vote of perhaps a quarter of the voters who voted for the candidates for Governor; that is, by so insignificant a fraction of the entire Massachusetts electorate as to make the whole theory of the measure utterly ridiculous. The voters evidently did not care "a tinker" about it, but I think the Hearst papers did.

I have not yet heard that our theorists propose to democratize Harvard University and the public schools, by ordaining that the students and school children shall elect "representatives of their own choosing" to confer with the overseers and faculty, or the school boards, as to who shall teach them, what they shall be taught, what their hours and terms shall be, who shall finance, build, and organize the great educational institutions to which Dr. Eliot and Dr. Lowell, Horace Mann and so many able and unselfish men have given their lives. But the time is ripe for such a proposition. Our idealist friends might as well make it, and would never have a better chance to put it through. It is always easier to throw away the taxpayer's money than that of the stockholders of a soulless corporation; for the reason that when stockholders see that the law, for instance, is going to make ducks and drakes of their ill-gotten gains, they *hold them back*, and will no longer put them at the mercy of the law. Witness the present unhappy situation of the railroads, for example. If our sociologists really wish to put the brakes on production, and stop the making and investing of wealth in America, they can hardly find a quicker

way to do so than *compulsory* "democratization of industry."

For the hundredth time let me repeat, that entirely decentralized, independent, and voluntary action by the responsible owners and managers of each undertaking is the only safe and wise foundation for its success; and that its *success* is the paramount factor in the welfare of its employees, whether it leads toward or away from "democratization."

While discussing Organized Labor's catch phrases, it would be well to clarify our ideas a little on the meaning of two of them, which are generally misunderstood by thousands of men and women of heart and conscience, especially by the clergy, to wit: "Recognition of the Union," and the "Closed Shop." The union leaders sometimes call the latter the "*Free* Shop,"—*free of non-union labor*, that is.

An association of clergymen, the Inter-Church Industrial Conference (the name may be incorrect), whose secretary is a Dr. Poling, has just formulated a report on industrial relations and remedies that suggests at first the utterance of an official of an imaginary clergyman's union affiliated with the Federation of Labor. Its perfectly innocent acceptance of the slogans and economics of trades-unionism, of the villainy and greed of capital, and the righteousness of Organized Labor, saddens a man who, like myself, is a descendant of a long line of clergymen, and a sincere believer in them, their lives and their work. The Parable of the Unjust Steward says truly enough that "the children of this world are in their generation wiser than the children of light." Fortunately for the latter and for all of us, they can and do depend upon the conscience and the constant material support of the very men whom they so fluently condemn, for the safe existence of their

churches and their noble charities. But they certainly do not comprehend the practical game played by "Labor."

"Recognition of the Union," means to many good Christians something like good manners, or human courtesy, to workingmen; and refusal to "recognize" is stigmatized as autocratic hauteur, as contemptuous disregard of the "aspirations of labor." It is nothing of the kind. "Recognition" of organized labor and the "closed shop" are identical, and *mean* that the employer enters regularly into contract with the unions through their officials, usually in writing, which binds the former to employ labor only *through* the latter, and to *close the shop to the non-union man.* No matter how badly a non-union man needs work, or how good a workman he is, or how much the employer wants to hire him, he can get employment in that shop only by first joining the local union of his craft, signing its constitution, submitting to the authority of its officers, and most important of all, *paying the initiation fee and dues involved.* Then only a union card is issued to him, and he can get a job in a *closed shop.*

Many thousands of laboring men prefer their independence, and refuse to be held up for union dues. Many hundreds of employers, though the majority are indifferent, refuse to contract for the closed shop; some as a mere matter of business policy, but many more, in my observation, because they refuse to betray the constitutional right of every man, employer or laborer, to hire or work without the dictation of any other man or group of men. One of the largest employers in Boston lately said to me, that he would lose every dollar he had invested, and if necessary would *die* for the "open shop," as a true American. He employs thousands of men without regard to

union or non-union membership. My own feeling was just the same when I was an employer, that I would never be party to taking advantage of the necessity of a workingman, to compel him to pay tribute to a union, in order to qualify for employment in my shop. I have shown elsewhere how in the course of a strike in my own factory we discovered a strong preference among workers in Chicago for the strictly non-union shop. The sentiment for *liberty* prevailed.

Nevertheless, it is after all a matter of business; if an employer thinks it to his business interest to close his shop to non-union labor, or to union labor, or to maintain an *open shop* to both, he has an absolute right to do so, and to put sentiment aside. I cannot believe, however, that any intelligent and conscientious clergyman, who ought by virtue of his profession to put sentiment ahead of business considerations, would, if he *understood* the matter, favor forcing the free workman against his will to wear the collar or pay the tribute decreed for him by the local union. Our courts of highest resort have uniformly restrained the attempt to monopolize labor by virtue of "collective bargaining" and the "closed shop," as an invasion of constitutional right. I am glad to accept Judge Gary's maintenance of the open shop in the great steel industry, as dictated by love of American freedom as well as sound business judgment. I would urge the pulpit not ignorantly to condemn the law and the bench, but to study with open mind as well as open heart the intent and the result of bringing all industry within the grasp of a labor autocracy, the dream of Organized Labor.

CHAPTER XIX

PROFIT SHARING

In passing it may be worth while to say a word about profit sharing, which Gompers and Labor care nothing about, — in fact oppose, — but which seems to have great fascination for my conscientious Cambridge friends who are plagued by the profits of the Rockefellers.

There are *three* fundamental difficulties in carrying profits into compensation of Labor, viz.:

1. Profits are properly the reward of skilled management; or of capital saved and risked, *i.e.*, of *past* thrift and courage; they are very remotely dependent on the future exertions of this or that laborer, who saves and risks nothing, and whose best efforts may be nullified by fault of other workmen or other departments in production; or by general trade conditions entirely outside of his vision or control.

2. An ordinary profit of five to ten per cent which is considered reasonable for capital is entirely too small to interest labor; especially coming as it does, but once or twice a year. Labor does not understand profit and loss accounts, or want to wait till the end of the year. What it can understand, and usually goes for, is a definite increase of wages, ten to twenty per cent, payable every Saturday night, in no way dependent upon what the stockholder gets.

3. There are frequently no profits to share, nothing but losses. Under the common law, if you share my profits you are *ipso facto* bound also to share my losses; to take good money out of your pocket to pay your share of my debts, if I cannot pay them. Like every provision of the common

law, the growth of many ages of administration of justice, this particular provision is logically and morally *right;* but my Cambridge friends seem to feel that labor should share only *profits,* not losses; while to labor leaders, the bare idea of standing a *loss* would be what is called a "scream." One of Mr. Gompers' fiercest fights is against holding labor liable for anything whatever in the way of money, except union dues.

Many attempts at general profit sharing have been made in the United States and in Europe. About four fifths of them have failed, and but few have been even fairly successful. Labor is pleased when profits and shares coming to itself are large; but suspicious and discontented if small or lacking. Sharing of losses by labor is unknown.

Add to the foregoing objections Mr. Gompers' vigorous opposition, and there remains little to say in favor of sharing profits with labor as extra compensation for stimulating good work. The more direct stimulus of piecework pay, premium, or bonus on increased production, payable weekly—*also opposed by Mr. Gompers*—is far better and more logical. Each man then benefits by his own good work, even though some other man's default affects results and cuts down the general profit.

Nothing but the highest praise can be given to the United States Steel Corporation's plan of helping its employees to buy shares of the company's stock, guaranteeing them against loss, and stimulating them to save—thus making themselves capitalists, and real investors, genuine partners, in their own business. *That* is a constructive mode of securing loyal and enthusiastic work for the company; and the promotion of industrial peace, which is the deadliest possible "barrage" against the rush of Mr. Gompers' forces. It goes without saying that *he* de-

nounces it in the most unmeasured way as capitalistic corruption of Labor.

There are many other concerns with profit-sharing plans in operation, of which one can say nothing but good. One general observation is, however, undeniably true, viz.: that no *panacea*, no general cure for "Labor Unrest," can be prescribed in the form of profit sharing. Labor itself has not *ordinarily* — no matter what happens in sporadic cases — shown the ability or the will to advise or coöperate in such long-drawn and deferred undertakings, while as for Capital, each enterprise with its peculiar conditions must be a law unto its owners, how to stimulate and compensate its people.

That remarkable man, Henry Ford, has devised a powerful appeal to his 45,000 men, which he calls bonus, investment, and profit sharing. The last two words seem to me a misnomer, as the payment to employees called profit sharing is apparently not in any way connected with or dependent on amount of profit realized by the Ford Motor Company; but is a flat, additional rate per hour above the regular pay rate, given to men with the latter every week, provided they show themselves good workmen, good family men, and good citizens. If they do *not* show themselves such after six months, they are dropped altogether from the company pay roll. Besides this so-called "profit share" Mr. Ford pays his men a "bonus" that seems to run from three to ten per cent of annual wage, payable at end of year; and he helps them to buy homes, invest, etc. Taken all together, the high pay and the strong inducement offered by the profit and bonus plan for industry, thrift, and decency since 1912 have transformed Mr. Ford's force within a very few years from a most extraordinarily unstable and floating crowd to a compara-

tively fixed, loyal, happy, and exceedingly efficient body of high-grade workers.

The Ford booklets state that in 1913, in order to maintain an average force of 13,624 men, they hired 52,445 men and 50,448 quit—showing a labor "turnover" of 370 per cent; a ratio quite unheard of elsewhere among my acquaintance. By 1915, in order to maintain an average force of 18,028 men, they hired 14,074 and 2921 quit; reducing labor turnover to 16 per cent. By 1918, however, to maintain 31,911 they hired 26,470 and 16,198 quit—the turnover rising again to 44 per cent; which, by the way, still seemed huge to me, until I was told recently that it averages 100 per cent in large industries nowadays.

Returning to 1912 (when Mr. Ford's experiment in the "business of making men" as a primary and automobiles as a by-product first took shape), two things are to be noted: first, that he was already as he has been ever since, the most extraordinary "profiteer" in the history of business. He made and sold that year, only ten years after commencing business, over 168,000 cars, at a profit said to be $100 each, say $17,000,000. He was already rich beyond the dreams of avarice when—and as naturally happened, not till then—his attention was directed, as he frankly says, to the very bad business management indicated by the enormous "labor turnover" noted above. As one of the ablest business men in history, he put his mind to the best method of handling his human factor in production as skillfully as he was already handling his raw-material factors. He makes no claim for other motive than that of good business: and that motive is certainly justified by results. For in 1913 his 13,000 men made 168,000 cars, or nearly 13 cars per man; while in

1917, 35,606 men made over 700,000 cars, or 20 cars per man. What the more recent record is I do not know; but I imagine that the Ford factories have by this time recovered from the dislocation of taking on war production of "Eagles," etc., and are swinging along to yet more astonishing results. The last published report of profits that I recall showed over sixty million dollars, after paying the extraordinary wages noted above. In furnishing me the data utilized above (for which let me acknowledge gratefully the courtesy of Mr. Squier of the Ford "Department of Education"), they remarked, in answer to my question as to current trouble, if any, with union labor—"Unionism has not been an issue with us at any time. We have always paid at least the equal of the union rates, and in most cases considerably better."

Here you have the whole psychology—as our orators love to call it—of labor relations in a nutshell. Mr. Ford makes his job so profitable and attractive that no oratory of labor demagogues can induce his men to imitate the dog in Esop's fable, that dropped the bone out of his mouth while snapping at its double, reflected in the water beneath him.

The Steel Corporation is doing much the same, perhaps not quite as lavishly, as its profits are not so lavish: and so are other great employers all over the country. Perhaps the best job that Organized Labor has done— though not at all in the way it intended, that now it bitterly opposes—is forcing the captains of industry to put their minds to "making men" out of human beings, as well as "mere commodities of commerce" out of their labor. It is evident that Mr. Henry Ford has become perhaps more interested in the former than in

the latter; and it must indeed be a genuine delight to him to make his own success the solid and enduring foundation on which thousands of live Americans can build their own happy lives, and the inspiration of their self-development. May he have better luck in converting them than he did with the Kaiser; and may he get more generous verdict from the press generally than from the Chicago *Tribune*. There is certainly nothing *small* about his conceptions, whether wise or otherwise.

In spite of his enormous wealth and success there seem to be few who grudge Mr. Ford his prosperity. Let us hope there are no Bolshevists among his fifty thousand men to take his wages, but meantime plan to apply to his great creations, soon or late, their creed of "Rob the robbers; steal from those who stole."

Before leaving this matter, however, let me once more call your attention, gentlemen of the press, to the fact that for such pay and such help as the Ford Company, the Steel Corporation, and other great employers here and abroad, are successfully giving their employees, the one *essential prerequisite is that the concerns themselves must be great, and must make much money.* "Profiteering"—so called—is the foundation of "Social Justice"; if by the latter phrase we mean, as we ought to mean, the largest fair reward of all men, even the humblest, weakest, and stupidest, proportionate to their contribution to the common prosperity. If and when the Ford Motor Co. and United States Steel Corp'n become unprofitable—if that time ever comes—their employees will surely suffer with their owners! How, for instance, would the 119,347 corporations out of 351,426 that reported to the income tax officers a deficit for 1917, share profits with their men? And

what would our sociologists consider Social Justice to the latter to require in the way of wages? I pause for their reply!

Let me also warn you, meantime, against attempting by Wilsonian democratization, or Gompersian centralization of control, or by any other interference with industrial freedom, to *compel* all employers to follow Henry Ford or Lord Leverhulme, or any other able man who is applying good engineering to the labor problem. There are very few great employers — very few "profiteers," in American industry. Out of some 450,000 industrial concerns only two per cent, or thereabouts, some 10,000 to 12,000, employ over 250 men. The large employers, especially if they "profiteer," can and will more and more take care of their men and themselves, as Ford is doing. But I urge you to deprecate handing over the little fellows, bound hand and foot by legislation, to the tender mercies of Organized Labor. Collectively, *they* employ the great mass of our laboring population; yet individually they could never cope with such a labor autocracy as Mr. Gompers has built up and proposes by legalized monopoly and coercion indefinitely to enlarge. Give them their chance, *free operation of the law of supply and demand,* a fair field and no favor; if you wish them to prosper and pay their labor, the bulk of all our labor, regularly and well. I am speaking not for *them* so much as for the whole community; for America.

Decentralization, and *limitation of trades-unionism to the shop where the men are employed,* would free the small employer from the labor troubles of all other concerns; and yet would leave his own men free to protect their own local interests as against *him* by organizing, striking, etc., as at present. At

the same time, the removal of the constant temptation to show power which is inseparable from all irresponsible autocracies — as is abundantly proved by the Carroll Wright Report — would probably reduce the 90 per cent rates of strikes called by Organized Labor to, say, 10 per cent; which, with the 10 per cent called by unorganized labor, would cut down the grand total of all strikes to, say, 20 per cent, or one fifth of the ratio recorded by Mr. Wright.

Decentralization would practically eliminate labor trouble as a serious factor against production. Judging from my personal experience as a small employer, however, the general introduction of strike insurance, and adoption of time contracts guaranteed by forfeitable accumulations, would serve every purpose; even without legislation to decentralize labor control.

In connection with or in commentary on Henry Ford's profit-sharing and bonus plan, let me cite also the experience of another motor company, also of Detroit, a near neighbor of the Ford Company, and maker of a low-priced car perhaps the nearest competitor in price and grade to the Ford car. The concern has never had the huge financial success of the Ford, though making and selling many cars. The management write me as follows: "We do not notice any appreciable effect on our labor in Detroit on account of the Ford Company's high wage and profit-sharing policy. When we get down to actual figures we are paying equivalent wages, and there appears to be no influence from the Ford policy. It actually yields their men no more than the amount realized by our men of like classification. . . . We should say that the wages we are paying are the result of competition with industrial Detroit gener-

ally rather than with Ford. To some extent Ford has first pick of labor, but this is rather on account of a little greater continuity of employment. We do not believe Ford's wages give any actual advantage in output — to be attributed more to standardized repetitive operations in great number, continuing indefinitely. Fords are no more free from strikes than we are, and so far as we can find out there is no discontent among our men on account of Ford policies, which are upheld by the press as ideal conditions."

Well, as all through this investigation, doctors disagree. There is evidently no hard and fast rule for all concerns. This company's owners have never had a dividend; there would be no earthly "Social Justice" in asking them to parallel Henry Ford's treatment of his men; yet they have to do just as well by them, apparently. Great is the law of supply and demand for the workingman in Detroit; and *everywhere else.*

NOTE. As this book goes to press, an important profit-sharing plan, with distribution of stock among employees, is announced by the great International Harvester Company — the "Harvester Trust." Its details are lacking, but it seems to promise division of profits in excess of 7 per cent on Capital between the latter and labor, in the ratio of 40 per cent to capital and 60 per cent to labor. The plan apparently "democratizes" the industry only to the extent that labor-shares are clothed with voting power and representation in the directorate. I imagine that the control of the business and policy of the company will remain — and as it ought to remain for the interest of all concerned — with the investor-shares.

CHAPTER XX

GOMPERS *vs.* LENINE AND DEBS

AN officer of the National Civic Federation (of which the vice presidency has been a masterpiece of camouflage by Mr. Gompers) sent me not long since a clipping from the New York *Times* of November 4, quoting Lieutenant Kliefoth, Assistant United States Military Attaché in Russia, as saying that the Bolsheviki are bitter foes of legitimate trade-unions, and that if the Soviet form of government were introduced in the United States the first labor leader to be killed would be Samuel Gompers.

Lieutenant Kliefoth may well be quite right. Mr. Gompers certainly has thrown his great influence among workingmen directly against Bolshevism, Anarchy, and State Socialism, everywhere and always. He may well be most obnoxious to all three elements. I cannot see, however, that his hostility arises from the fact that they all propose to "steal from those who stole," or plunder the rich; but exists because they would establish autocracy not of Labor, but of the proletariat. His own program differs from theirs only in degree, not in kind or principle. The Anarchist would *individually* murder and plunder brains — that is, the rich — and take his chances on what might come after; the Bolshevist or Proletariat, alias the leaders in power, would *collectively* rob and murder brains, and take the chances after; the State Socialist would expropriate (he would not say rob) riches, and commandeer brains,

merely abolishing profits, and take future chances. Mr. Gompers would leave riches to the ownership and care of brains and let Labor "swipe" all the profits. Either way, poor brains, that creates all the riches and directs all the useful employment thereof, is "the goat." It makes no difference to the owner whether Lenine and Trotsky, Haywood or Debs, takes all their capital; or Gompers takes all their profits; either way it is a case of Love's Labor Lost.

On the other hand it makes a lot of difference to Mr. Gompers whether *those other fellows* take all the capital and abolish all the profits; or instead the burden of capital is left where it lies, while his own Federation and Brotherhoods absorb and squander all profits themselves. The question with him is not so much whether capital or profits shall be stolen, as it is how best to do the stealing and who shall get the stolen goods.

It is perfectly clear that *Anarchy* and *Organization* of Labor—or of anything else—cannot coexist. One or other must disappear. For it is evident that Messrs. Lenine and Gompers cannot *both* dictate the lives and industry of the same workers; in one case as Soviet constituents and the other as organized laborers. One or other must go. Likewise, in a Socialistic state, where the state is sole owner and employer, the Gompers' Federation could not *fight* the state, being a small minority, but must inevitably be swallowed up in the state.

As Mr. Gompers is, and has reason to be, perfectly satisfied with his present job as President of the A. F. L., what could or ought he to do but fight every suggestion of Anarchism or Bolshevism or Socialism? Do not, however, gentlemen of the press, attribute his opposition to these attacks on our form of government to any especial reverence for

American Constitutional guarantees of liberty or property right. *He has never evidenced any such feeling.* That perfectly honest, thrifty, and prosperous citizens should be so naïve as to rely on *him* for protection against spoliation of what they have gathered, reminds one of the story of Little Red Riding Hood and her excellent grandmother — the wolf.

Mr. Gompers is widely proclaimed in the press, and indeed proclaims himself, as the great conservative force in labor politics; as against the *red* radicals who would control it. Well, he is certainly conservative as against *them;* but of his own power and the personal control of his great organization, merely; neither of which he has the least intention to hand over to anybody. When it comes to conservation of anything else — for instance, of the rights either of the non-union man, the capitalist, or the public — he ignores or denies them as contemptuously as Lenine or Trotzky, Haywood or Debs. His latest utterance is a "gem of purest ray serene" — "The workers will not sacrifice human progress for an *abstraction* which is called the *public welfare.*" Even Karl Marx never rose to such a pinnacle of "abstraction!" (The italics above are mine.)

CHAPTER XXI

DEMAGOGY AND BUREAUCRACY. LEAGUE OF NATIONS

My Cambridge idealist friends have seized with avidity upon President Wilson's carefully vague catch phrases, "The new order," "A new relationship between Capital and Labor," etc.; also on the proposition that business should be done for "service" and not for "profit"—voiced I think by the President, but perhaps by some other idealist. In his labor message to Congress he further says, "Return to the old standards of wage and industry in employment is unthinkable"; and "To analyze the particulars in the demands of labor, is to admit the justice of their complaint, in many matters that lie at their base. The workman demands an adequate wage, sufficient to permit him to live in comfort, unhampered by the fear of poverty and want in his old age." He omits, however, to note that the workman usually *gets* his demand.

Pygmy minds like my own search in vain through the presidential utterances to find out *just what* "The new order" and the "new relationship between Capital and Labor" are to be; and we ask too *just why* return to the old standards of wage and industry in employment is "unthinkable." Under the old standards our beloved country has enjoyed a century of prosperity unparalleled in human history, with health and comfort of the industrial classes (our rich being no better off than rich men everywhere) that so far surpassed those of other countries as to bring

a flood of immigrants therefrom to our happy shores. Neither the 10-hour work day, nor the "hard and unjust conditions" which President Wilson conjures up from his inner consciousness as "hedging labor about," have killed off our working people, or stopped the growth of our population, *especially* in the industrial centers. The efficiency and productivity of our labor was 100 per cent in the '80's compared with 66 per cent today; and abundance of the necessaries of life, with consequent low cost of living, made their old 1880 standard of wages go farther than the present standard, — two and a half times higher; *at least so declare the labor leaders!* To be sure, that declaration is not quite true — they are not sticklers for exactness — for prices of commodities are only about two times as high as in 1880. As a matter of fact wages everywhere in this world have increased faster than prices of commodities. Thanks to enormous improvements in machinery and transportation, to new invention and discovery, — and in spite of organized labor's systematic and powerful obstruction, — human productivity has hugely increased per capita in capitalistic countries; and an increasing surplus earning power has accrued to workingmen. In this country — I do not attempt to speak for foreign countries — this surplus is reflected in huge savings banks and life insurance reserves belonging to laborers, in ownership of hundreds of thousands of homes; but most of all, alas! in wasteful squandering of good money. This extravagance is a matter of common knowledge, known to every shopkeeper and manufacturer, denounced by every editor and preacher.

Now it is quite true, that the extravagant spender *never* has enough; *never* receives "an adequate wage sufficient to permit him to live in comfort, unham-

pered by the fear of poverty and want in his old age." But does the President point out that fact, or *note* the past and present extraordinary prosperity of our labor; does he urge hard work and efficiency and thrift, and denounce loafing, indolence and extravagance? No, not by a single word! He speaks only "to admit the justice" of labor's complaint.

Again, my pygmy mind asks, "Of *whom* precisely does the President, does Organized Labor, demand a life of comfort and ample provision for old age? Of labor *itself*, by its own hard work and thrift? *Not on your life!* Of the President himself — he is well off — and his fellow idealists in Cambridge and elsewhere? Nay, nay. They bind great burdens, and lay them on other men's shoulders, but do not lift them themselves with so much as a finger. Well, then — of Rockefeller, Armour, and Gary? Yes, verily! But how far would even their great fortunes go, and how long would they last, if only for their own hundreds of thousands of employees? Perhaps, then, of "Society" in general? Yes, at last we have it: of everybody except the workers themselves — so our idealist President would probably say, with enthusiasm.

But *who* is "*Society*"? In a democracy, "Society" must mean "Government": and one can see where the President will necessarily land, and evidently would like to land — in bureaucracy, and unlimited income taxation. Where the rest of us land is secondary.

Take the past year as an illustration. Did the President, or for that matter did Congress, recognize the perfectly patent, world-wide causes of high prices; namely, shortage of labor, shortage of production and transportation, colossal destruction, coupled in this country with an orgy of spending

unheard-of wages? Did they admit the evident and inevitable effect of the old familiar law of supply and demand in raising prices? Did they make the first move to stimulate labor to overcome shortage by hard work, or urge the community to reduce excessive demand by reducing excessive extravagance? Again the answer must be, "Not on your life." Instead of denouncing indolence and extravagance, Congress ordains perfectly useless and enormously expensive investigations of the packers and the coal operators—whose results will be obsolete long before obtained; while the President denounces "profiteering" and asks Congress for $4,500,000 to pay lawyers and detectives to chase the law of supply and demand off the soil of the United States, and in that way reduce the "high cost of living."

Well, the Attorney General has been busy ever since, spending those and other appropriations. His bureaucracy has grown like Jack's beanstalk, and our money has gone like water; but has the cost of sugar or coal, or milk or eggs, or anything else under the sun been reduced a cent's worth by the tomfoolery? A third time the slang reply, "Not on your life."

In the future, as in the past, low prices will come only from production in excess of demand; and production will come only from abundant human labor, aided by brains and capital, put out for wages and profits. But why should labor exert itself to produce, while the Clayton Act says "don't work—*combine; and hold up your employers* for a good living"—or while the President says, "You toilers are doing altogether too much for your money. The rest of us are robbing you! Sit tight, and I will build up a great centralized bureaucratic machinery, that will stand in with your great centralized strike machinery, to see that you boys have plenty to spend now, and

are taken care of in your old age by your greedy employers; without bothering to work hard yourselves or save anything meantime."

Or why should those who have saved in the past risk their savings, in hope of profit, in building or producing in the United States, when the President says to the crowd: "Damn these profiteers. They are going to take advantage of existing demand, are they? They are going to exploit the needs of the community and the world, by building homes to rent, or by making and selling necessities of life at enormous profit, are they? Well, just you watch me! *I*'ll see to it that they make *nothing*, and serve the world for the sake of service, not for profit. Confound those packers! Not content with selling meat so cheap that local producers cannot compete with them, they have the gall to do the same thing with fruits and groceries! Watch my administration put *them* back where they belong. The American people is not going to trade with any *big* fellows, not under my administration, even if folks think they save money by doing so: it is not fair to the little fellows, and does not help the 1920 Campaign. Same thing with the Steel Corporation! The Supreme Court can give that concern a clean bill of health as often as it likes; but while I control the Attorney General, he shall keep right on after them. The Department of Justice *must spend its appropriations* and more; or it would not be a government department, or serve my turn. I can point with pride to consistent hostility to useful industry on a great scale. Profiteers, take notice!"

And they will take notice too! It is absolutely certain that productive industry will "mark time" until the presidential election is decided, and long afterwards, unless Washington abandons its past

and present game of clubbing every industry that dares show its head above the surface. *High cost of living will not come down;* industrial peace and prosperity will *not* ensue; America will not seize the unparalleled opportunity, existing as an aftermath of war, to serve the world out of its unequalled resources, at unheard-of profit; nothing will grow and overshadow us, except government, graft, and taxation.

If the foregoing sounds extreme, just compare the following United States appropriations (in round millions) for 1911 and 1919:

	1911	1919
Deficiencies Various Branches of Govt.	$23,000,000	$2,000,000
Legisl. Exec. and Judicial Expenses	34,000,000	70,000,000
Sundry Civil Expenses	106,000,000	2,012,000,000
Army, Navy, Indians, Rivers, Harbors, Forts	293,000,000	14,658,000,000
Pensions — old wars, etc.	156,000,000	220,000,000
Consular and Diplomatic	4,000,000	8,000,000
Dept. of Agriculture	13,000,000	28,000,000
Dist. of Columbia	11,000,000	15,000,000
Federal Cont. of Transportation		500,000,000
Reclamation	20,000,000	
War Finance Corporation		500,000,000
War and Other Expenses		4,315,000,000
Food and Fuel Control		11,000,000
Bonds of Foreign Goods Purchased		3,000,000,000
Operation under Mineral Act		50,000,000
Farm Loan Bonds	4,000,000	200,000,000
Relief and Miscellaneous		9,000,000
	$664,000,000	$25,598,000,000

(Tabulation from New York World Almanac, 1920.)

Gentlemen of the press, however unwilling our Cambridge and other idealists may be to trace the evolution of abstract democracy into concrete bureaucracy, cannot you, as men accustomed to deal with the *real* in daily life, see plainly enough that nothing but useless and wasteful addition to the already colossal

burdens of taxation can result from the proposition to create at Washington great centralized arbitration and conciliation machinery, only to sit powerless and helpless in solemn conclave with Mr. Gompers' great centralized and powerful strike machinery? Have there not been strikes enough, and settlements enough, among the seventy-five thousand recorded by the Department of Commerce and Labor, to establish the fact that all great strikes usually end piecemeal, locally; by final direct agreement between employer and employed? That intervention of centralized union and arbitration conference committees merely tends to *delay* these ultimate settlements, even where regional arrangements are in force (as with the garment workers and coal miners), and hold back composition of local difficulties? Recall to your memories any of the wide-spread labor wars, and see for yourselves how invariably great strikes break first here, then there; and always end *first* where law and order are maintained and violence prevented. Can you not see that nothing but local conditions will in the long run prevail with both employer and employee? that neither will long endure a general award of arbitrators that is locally and individually impracticable? Is it not clear that increasing interference of government between Capital and Labor is due to the unwillingness of politicians to refer so many voters to the impartial arbitration of the law of supply and demand, *just because* that arbitration *is impartial*, and *final;* based on actual market conditions? Must it not be for *unfair* advantage that Labor turns to a political tribunal? Even so, why should the rest of us follow suit? If the new tribunal is to be impartial, its decrees must coincide with those of natural economic law. Why, then, constitute it at all?

You will answer, perhaps: because its decrees will tend to create sound public opinion, and that public opinion finally prevails in labor wars; and the argument has weight. But why not, while tackling the question, educate public opinion to the more direct and final conclusion that the law of supply and demand is the one cool, calm, eternal, omniscient, ever-present, and impartial arbiter; whose decisions, based on actual conditions, are bound to be obeyed and to do lasting justice. Moreover, it is *automatic;* needs no costly Bureau at Washington.

The foregoing considerations apply an hundred-fold more strongly to the "General Conference and International Labor Office," called for by the League of Nations. There is provision for councils, attended by 2 government, 1 laborer, and 1 employer delegate — 4 in all — from each nation, each permitted to take with him 2 advisers, a delegation of 12 in all, expenses paid by the state that sends them; and for a permanent Labor Office, and Labor Newspaper, at the seat of the League of Nations, with a Director and Staff, all paid for by the League. (By the way, the cable dispatches a short time ago remarked that money provision for the League's current expenses had not yet been made, so the poor Labor Director could not draw his handsome salary as yet.) Well, labor leaders would indeed find it an agreeable function to voyage to Switzerland, as honorable delegates or advisers, at the expense of the United States government; there to consider the labor problems of the world. Still more agreeable would it be to become the most conspicuous personality in all the earth, in the eyes of Labor, the Chairman of the Conference; or even second in line, the International Director (Mr. Gompers was slated for the first-named job, until our Senate broke away

from the League of Nations). The blindest of us cannot fail to visualize luxurious journeys, dignified surroundings, interesting general discussions, easy, conspicuous, and well-paid jobs,—presumably for elderly labor leaders and politicians, in and about the International Labor Office at Geneva; especially choice plums of bureaucracy, shaken from the political tree by each administration.

But—what once more staggers my pygmy mind is the query: "How is the American individual laborer, *in practice*, going to benefit by this colossal international fake, any more than he now benefits by the A. F. L.? That is to say, how can he benefit at all?"

The Lawrence mills, for instance, which suffered a bad strike two years ago, are just now (May 3, 1920) threatened with a walkout of one hundred and twenty-five stationary engineers, which may throw out many thousands of mill hands and cause a general shutdown. If the United States were a party to the League of Nations, would its Labor Bureau attempt to handle such a case? If it did so, how long would the mill owners or the mill hands of Massachusetts abide by a decision of the International Labor Office at Geneva, say in this present emergency, that offended either one or the other? If the interest of the mill owners at Bradford, England, or Lisle, France, were to prolong the Lawrence strike, how would the American owners regard a decision so influenced by them? Is there the remotest danger that either England or France would bring to bear, through Washington or the State House on Beacon Hill, an international boycott, or send cruisers to enforce compliance of mill owners or strikers at Lawrence; or if either should attempt to do so, that Governor Coolidge, or Senator Lodge, or the American people behind them, would stand it

for an hour? Would the Yankee Division ever cross the seas again to protect France against a general French railway strike, such as has been threatened for the last few days? Or would France either ask or consent to such an invasion? Merely to ask these questions is to answer them — a thousand times No!

I suppose that Messrs. Lloyd George and Clemenceau and Wilson promised to Messrs. Barnes, Henderson, Thomas, and Gompers, this League-of-Nations show, as part payment for the labor vote in their respective campaigns of 1916–1918 inclusive; but why should any country thus pay party political debts? You, gentlemen of the press, should read Mr. Andrew Furuseth's remarks *opposing* the Labor provisions of the League (Report A. F. L. 1919 Convention, page 401), where he says: "Who is to determine what is to be lawful in this case? Why — the International Super-Legislature, not you in the United States. . . . Since when has the A. F. L. gone on record . . . and set a minimum wage . . . *by some one else,* instead of having it set by themselves? . . . It makes me shudder!"

So says one Labor leader! He agrees apparently with Senator Lodge. Do not you too, gentlemen, agree with both experts? Are we not better off altogether without perfectly useless governmental labor meddling, domestic or foreign — without costly bureaucracy; the wasteful handmaid of demagogy, masking as humanitarianism?

Mr. Furuseth need not have *shuddered*, by the way. Mr. Gompers promptly got up after him in the Convention, and explained just as Mr. Wilson explained, that the League had no teeth in it. "My friend Mr. Furuseth," he says, "puts great stress on the words 'lawful organizations,' and tries to leave the impression that this super-convention will determine

what is lawful and what is not. *Nothing is farther from the truth.* Every country will determine for itself what is lawful and what is not." *Precisely so!* But in that case, *why set up an international show at all?*

In a previous sentence Mr. Gompers gives one reason why. "For the first time in the history of the world," he says, "the nations of the world have written into a document that they agree that workers have a right to organize." We have seen before that Mr. Gompers enlarges the interpretation of that right to mean centralized *national* control; and now he would have *world* control. I suspect it is because he is conscious of the inherent weakness of the "right to organize," when it conflicts with the welfare of the community, that he so consistently seeks its political assertion and sanction at home and abroad.

CHAPTER XXII

CARROLL D. WRIGHT'S REPORT OF STRIKES AND LOCKOUTS

THE late Carroll D. Wright, while Commissioner of Labor, carefully tabulated the strikes and lockouts from 1881 to 1905. Since then his successors have not continued the same accurate analysis and classifications of causes and results; and totals for the last fifteen years must be guessed at more or less. From 1881 to 1905 he recorded 36,557 strikes (of at least one day), throwing out of work 8,485,000 hands for an average of 25.4 days, involving 181,407 concerns; and 1546 lockouts, involving 18,547 concerns and averaging 85 days' duration. Ninety per cent of the strikes, and substantially all of the lockouts, were caused by Organized Labor, which won, or partly won, 65 per cent of strikes declared, as against but 44 per cent won by unorganized labor. Employers won, or partly won, 68 per cent of the lockouts declared. Strikes succeeded as follows: For raised wages, 69 per cent; for shorter hours, 61 per cent; for recognition of unions, 57 per cent; against reduction of wages, 48 per cent; sympathetic strikes, 23 per cent.

Since 1905, the last fifteen years have seen about as many more strikes, — some 38,000, — (details not accurately tabulated by the union laborer who has meantime been at the head of the Department of Labor) as in the twenty-five years previous. Their causes and results are poorly analyzed; but

seem not to differ materially from the Wright Statistical averages.

The forty-year mass of information yielded is, however, enormous; and affords sound basis for independent judgment as to the actual value and real accomplishment of Mr. Gompers' great work in Organization of Labor.

To begin with, if we figure on an average normal working year of 250 days, in doors and out, for the average number of industrial workers (5,200,000 between 1881 and 1905, as per the United States Census), the time actually lost by strikes during twenty-five years was less than two thirds of one per cent of the whole — an almost negligible fraction!

As Organized Labor for that twenty-five years averaged not over one seventh of all industrial labor, and yet called nine tenths of all the strikes — *it was roughly* (man for man) *fifty times as pugnacious — made fifty times the trouble.* Nevertheless, organized labor *won* but 65 per cent of its strikes, while unorganized labor *won* 44 per cent.

That is, the net *advantage* shown over non-union labor in *winning strikes* (which is the object of organization of Labor) is but one win in three; though it calls them *fifty* times as often! The extreme minuteness of this net advantage, — one win in three during two thirds of one per cent only of normal working time, *which is practically no advantage at all,* — confirms from another angle the revelation of Chapter IX of this book, and shows *why* union labor has not gained faster than non-union labor during the last forty years. The great machinery simply cannot make good!

Let me urge upon your apprehension, gentlemen of the press, that strike machinery has gained no substantial advantage for union labor since 1880;

but on the contrary has steadily cost its votaries loss, both of wages and of their purchasing power.

Let me now ask you as good citizens to say, of what use is this great fighting machine to the community? Is any town or region better off by reason of one or a hundred strikes or lockouts? Is government better off by reason of being forced because of machine-made riot or machine-cast ballot to meddle with such purely private affairs as the wages which an hundred or ten thousand men are, or are not, content to take, for doing lawful work offered by employers? Is the nation better off by reason of a machine for driving a class-wedge into our social solidarity? Is constitutional right better established because 4 million men stand together to deny the liberties of 40 million?

From every point the huge record of trades-unionism is one of purely *negative* result. As labor cannot wait and capital can, it stands to reason, when it comes to test of endurance, that Labor has no chance against Capital. For instance, employers won, as shown above, 68 per cent of the lockouts, though Organized Labor won 65 per cent of the strikes. In other words, when it is sufficiently important for the employer to fight, *he keeps it up,* and *wins*. These lockouts averaged 85 days long, against 25 days for strikes! As was the case in my Chicago strike experience, in due time the unions always throw the strikers overboard, and let them shift for themselves. Then the poor fellows go back to work, wiser and worse off.

Once more: what do the laborers themselves gain by "Organization"? As Horace says, "*Parturiunt montes; nascetur ridiculus mus.*"

CHAPTER XXIII

COLLECTIVE BARGAINING. PROS AND CONS

IN order to guard against my own inherent skepticism as to the actual value of trades-unionism and collective bargaining, I have asked the judgment of friends upon it in two industries, in which it at first seemed to me great results had been attained by the unions for their members; with perhaps stability in work and production and benefit also to the trade involved and the community. I refer to the Garment Workers and the United Mine Workers industries.

Like every one else, I was and am in keen sympathy with the victims of what is called "sweating" in the clothing trades; and with the men who pass their days underground in the grime and darkness of coal mining, with risk of life from deadly gases and damp. There seemed no way out of their hard conditions, and in the garment industry out of their old-time starvation wages; because both industries were so largely carried on by *small* operators, under fierce competition in the sale of their respective products. This was especially true in the "sweatshops"; run in the great seaboard cities, for the most part by Russian and Polish Jews, immigrants themselves, who had by incessant labor and thrift saved enough to hire a few of their compatriots to make, for instance, shirt waists at home on piecework; and whose imported habits and standards of life led them to take a pittance as their wage. Their em-

ployers in turn sold to the great department stores or the smaller shops, kept again by men who had fought their way up by hard work and thrift; and who under the fierce competition had no mercy on themselves or their work people. Few of them made money, or grew great enough to put in good plants and mechanical equipment; for the shops that bought their stuff resold it again to the poorer classes at fantastically low prices. As is always the case, the mass of the people got the benefit of the situation; and it seemed hopeless, without entire reconstruction of the whole machinery of distribution, to do better by the workers. Now, however, the thing has been *done;* and wages and conditions in the garment trades are certainly most favorable to the workers. I had been of the impression that the change was entirely due to Organization of Labor; and am still unwilling to say that it is not largely the work of the garment workers' unions; yet here again I find our old acquaintances, the law of supply and demand, and *profiteering,* at the bottom of the improvement. Apparently the special success and great growth of firms like Hart, Schaffner & Marx of Chicago, of Kuppenheimer and the Rochester manufacturers, the Troy shirt and collar makers, and of other great advertisers and merchants, as well as manufacturers, has enabled *them* to build great, efficient, sanitary plants to which the workers come; to stop "sweated" home work, and largely increase production; to pay high and higher wages, enormously increased during the war shortage. In these big shops, with their hundreds or thousands of employees, the union organizers found their game all laid out for them; and a long succession of strikes led to the collective bargaining that now so largely characterizes the garment industries. Yet even here

there is not complete agreement of the doctors. I recently wrote a very large Western Company, asking the following question:

"Has the organization of labor in the clothing manufacturing industry had the effect of stabilizing and standardizing wages and conditions of labor, to the benefit (1) of the industry; (2) of the working people; (3) of the individual manufacturer?"

They answer that for nine years they have had in force "a form of collective bargaining" with the Amalgamated Clothing Workers of America, and have had no serious strikes; on account of "the very elaborate labor department and arbitration machinery maintained. We are practically the only large manufacturers in the country that have been able to conduct business without labor difficulties over a course of years. On the whole, our company regards its experience with collective bargaining as a success." They further said that sweating has disappeared from the industry, and wages have almost quadrupled in eight years. Great shortage of labor, especially during the last year, has pushed wages up to an average of $40 per week. From $50 to $90 per week are very common. The small concerns have had to follow the big ones.

On the other hand, they say another large Rochester firm, Michaels, Stern & Co., are prosecuting an injunction suit against the Amalgamated; which last, under advice of Professor Felix Frankfurter of Harvard, is using this case to clarify the rights of Organized Labor in New York State.

All of which is exceeding interesting; *and comes back to the same old governing law of local conditions* — with no hard and fast horizontal rules, that can apply universally — the very antithesis of collectivism. You will note how reservedly my Western

correspondents say "on the whole" they regard their experience with collective bargaining as a success. What it would have been without their large financial means, to back it up with other substantial attractions to their laboring people, is another story that they do not tell.

I wrote, too, to a large coal and iron firm in Cleveland; friends familiar with the soft coal industry. They answered as follows:

"We do not believe the soft coal industry has been benefited by collective bargaining with the United Mine Workers.

"There is a difference of opinion among operators on this question, some favoring collective bargaining, others opposed.

"As a rule unorganized labor in the soft coal industry has consistently gained in wages and conditions faster than has organized. This to my mind is due to desire of operators to head off the unionizing of their properties."

Once more the doctors disagree; meantime the non-union man works the law of supply and demand as his best friend. I omitted to say above, when quoting the Western clothing firm, that they also remarked that wages in the New York garment trades, which "are *feebly organized*," are $5 to $10 higher than in Chicago, strongly organized. It is local supply, not organization, of labor that fixes wages.

I also omitted to say that my coal-mine friend added the instructive remark: "We are outside the district in which the United Mine Workers operate. Our manager, however, has had experience in the 'closed shop' districts. He says there is a difference of opinion among the operators as to collective bargaining with the U. M. W. He is opposed to

it, but I do not believe we would oppose collective bargaining with *our own men.* Personally, I favor the latter."

The manager gave his reasons for opposing a deal with the U. M. W.; among them especially the "check-off" system, by which the employers agree with the union to take out of the men's pay their union dues, fines, etc., and turn them over to the union treasurer — thus "cutting a stick to welt their own backs with. Which," adds the manager, "would be a *joke,* were not the consequences so serious."

This convenient way of *making their members pay up,* even against their will, is always proposed as part of "recognition of the union" in collective bargains; though not always accepted by the employer. It is one of the most powerful reasons for the insistence of the labor leaders on collective bargaining; and shows excellent business acumen on their part.

Their main reason, however, is evidently centralization of labor control. No better illustration of this purpose can be cited than the existing situation (May 29) at the United Shoe Machinery Company's works at Beverly, Mass. A strike has been in progress there for some weeks, called to force the company to abandon the practice of making written contracts of employment with its men individually. Of course, there can be no question of the entire constitutional and legal right of both company and men to sign such contracts; and of course such contracts seriously interfere with union plans for calling strikes from time to time; because the courts will interpose by injunction, and indeed have done so already in this case, to forbid the men from breaking them. Today's papers report a meeting of representatives of thirty-five labor unions, most

of which must be in no way connected with the U. S. M. works, who voted to request the various unions of the district to consider the question of a general strike "as the only solution for this un-American attack on organized labor — the application of the individual contract." Resolutions were adopted recommending that the Executive Board of the A. F. L. consult counsel, to the end that the Constitution of the United States be amended to prevent the application of the individual contract in industries where the employees work for hourly wages; that counsel be engaged to draft an amendment to the State constitution, providing for the election of all judges by the people; and that the Montreal Convention of the A. F. L. (coming soon) shall place the United Shoe Machinery Company on the "unfair list." (This last means to *boycott* it.)

Of course there can be no possible objection to any movement by union leaders to change the constitution in a constitutional way, whether of the state or the nation. Such use of the labor vote is lawful and aboveboard. We can all of us consider it, and meet it at the polls as we see fit. But, gentlemen of the press, *here you have the destruction of individual right by trades-unionism* squarely put up to you as a proposed alteration of our fundamental organic law. What do you think of it?

The United Shoe Machinery Company was violating no moral or statute law in offering steady work and good wages in useful industry, upon condition that the terms and duration of employment should be defined by written agreement executed by both parties; the men who signed such agreements did so voluntarily, for the sake of the jobs; no man did or could compel them to sign; there was no trouble with work, wages, or conditions between

company and men; nothing was wrong, except that a court might (and did when it came to the point of a threatened strike) interfere to say to the men that union orders could not set aside the "obligation of contracts," an obligation held so sacred by the Constitution of the United States that even Sovereign States were forbidden to pass laws impairing it. But never mind! union control of an "autocratic" corporation and its laborers is at stake. All the industries of an entire district must be paralyzed; the constitutions of state and nation must be amended; judges must hold office in terror of "Labor" at the next election; the whole political and economic system of the United States must be so changed as to secure our domination by Mr. Samuel Gompers, or by whomsoever may be president of our "Super-State," the American Federation of Labor!

The reporter does not say that this labor meeting at Beverly was "authorized" from the Washington headquarters of the Federation. If not, I may be doing Mr. Gompers a partial injustice as to this particular instance. We shall shortly see. But it conforms to the general political program laid down by the Federation, as you are aware. At least there is this sign of progress in the education of Labor, that not so long ago its attitude was "to hell with the Constitution!" Today it merely says "*amend* the Constitution."

But to come back, in concluding this chapter on "Collective Bargaining," to its subject matter; take it all in all, I will back the non-union laborer, — who is free to work as hard as he likes, and make all the wages he can, — both to make more money and to live a freer and happier life, than the man who goes by the union gospel of sloth, and gives least return

for what he gets. His employer can play that same game, holding most of the trumps, too; even in trades so peculiarly adapted to unionization and collective bargaining as the garment and coal-mining industries — Mr. Gompers to the contrary notwithstanding.

CHAPTER XXIV

COERCION. VIOLENCE. PICKETING

In Mr. Gompers' debate with Governor Allen, already referred to, he expressly asserts the law-abiding character of Organized Labor, and its officially taken attitude against violence. He has always *said* that such was the attitude of Labor, and I think that its public votes and resolutions, such as there may have been, are probably in accordance with his words. Certainly it would be foolish to vote or resolve otherwise. Nevertheless, there is seldom a prolonged or moderately large strike without violence, greater or less. The whole proceeding is frankly one of *coercion;* and is usually carried out by the picket line, which in itself contains the powder and match for an explosion, and needs but the careless hand to put one to the other. When it comes, Labor usually glosses it over as what golfers would call "a rub of the green," a regrettable but unintentional and legitimate incident of industrial "war."

There are two fallacies under this gloss; first, that in civil life *war* is not the lawful remedy for difference of opinion between buyer and seller of labor or anything else, the courts are there if the case is justiciable — the unions have no right to declare *war;* second, the explosion, though perhaps unintentional, can hardly be called *unpremeditated.* The unions are morally responsible for violence that occurs along the picket line; and they usually show that to be the fact by employing counsel to defend

sluggers. They did, for instance, in my little typewriter strike already cited; and in the notorious McNamara dynamiting case at Los Angeles, and in numerous other cases. Allan Pinkerton's dictum, "Organized Labor is organized violence," stands proven as against Mr. Gompers' denial of lawlessness by three things: first, that slugging, sabotage, etc., so often occur, and that the victims are so *seldom* union men; second, that the unions pay lawyers to defend the guilty, if caught; third, and most convincing, that the unions have never made the smallest effort to prevent or end violence.

If they really wish to be law-abiding, why do the unions not join with the state in forbidding and penalizing lawlessness among their own members; or in arresting or punishing those guilty? Did you ever hear, gentlemen of the press, of the unions giving up a slugger, or machine wrecker; or of their offering a reward for detection of those who cast that slur on union fame; or of their fining or expelling any man who chased a "scab" away from a job, or casually broke his head with a brick? Would it be possible for violence to occur on the picket line, always in broad daylight, and in presence of fellow pickets, without their knowledge and connivance; or indeed without the knowledge and backing of their unions? Could not the latter suspend, fine, or expel the culprit every time, if they really wished to uphold the law, and respect the rights of the non-union man or the employer?

If the unions rely solely, as they pretend, on the unquestioned right of the laborer to quit work, collectively, is there any need of the picket line at all? Why can the strikers not go fishing, or otherwise enjoy a holiday, far away from the works and the inevitable risks of the picket line? Why do not the

union leaders command them to stay away entirely, and abolish the picket line altogether?

You know the answer, gentlemen, as well as I do. They do *not* rely entirely, or even largely, on peacefully refusing to work; though in the long run that is their best bower. What they *do* figure upon is perfectly unlawful prevention of the free flow of labor, and perhaps of material; so as to deprive the employer of the benefit of free competition in the labor market, to which he has moral and lawful right.

At the risk of boring you with iteration, gentlemen, let me once more urge you, as patriotic men, to condemn this whole philosophy of *union coercion* as morally, economically, and politically criminal, and practically vicious; not only debauching the laborer as craftsman and citizen, but robbing him as wage-worker, for the benefit of a few labor leaders.

CHAPTER XXV

UNION PROPAGANDA. "PEACEFUL PENETRATION"

As I have said elsewhere, the Report of the A. F. L. is a remarkable document, worth careful study. It discloses the perfectly legitimate program of "peaceful penetration," as the Germans used to call it, by trades-unionism, directed not only at our political but also at our educational institutions.

The current campaign for election of friends of labor to Congress and other offices is, of course, familiar. The departments at Washington, notably those of Commerce and Labor, are filled with union friends; the Secretary of Labor, Mr. W. B. Wilson, being a union man in good standing. Mr. Louis Post, whose activities in the matter of relieving aliens from deportations are under fire, is next thing to a laborite; using the term without offense. Such so-called economists as Mr. Jett Lauck give governmental official weight to what might be called labor economics, fed out to the public in wage disputes. For instance, Mr. Lauck a short time ago testified in the Boston Elevated Railway wage adjustment, for the purpose of showing that the law of supply and demand in the fixing of wages is inapplicable to meet the present situation. He declared that the workman is entitled to a living wage *regardless* of the condition of the labor market; that five different commissions of the national government had compiled estimates of the minimum income required to

support an average family of five, the highest being $2533.97 per annum; and that the Fall River budget of the National Industrial Conference board had estimated $1715.55 per annum as the lowest for the same family, which last Mr. Lauck condemned as entirely inadequate. Mr. Lauck attacked "profiteers" and the packers; and said the latter's employees might be given an increase of 1000 per cent in wages without equalling the increased profits taken by the packers during and since the war, etc., etc. Now, the figures given in my Chapter on Social Justice, which are from the latest government reports, according to the World Almanac, showed an average actual gross production for 1919 of $1440 per worker.

It thus appears that Mr. Lauck testifies that the minimum on which an average family *can* live is *nearly $1100 per annum more* than the *actual gross output* on which the 50 million workers of the United States not only actually *did live very abundantly* in 1919, but moreover laid up unheard-of savings deposits out of! Such is a fair sample of the kind of Labor propaganda fed to the American people by the skilled hand of the labor demagogue! It well illustrates the "peaceful penetration" of our bureaucracy, our tax-eating fraternity, by the "friends of Labor." Mr. Lauck wound up by saying "Yes" to counsel, who inferred from his figures that Bostonians, who are receiving less than 75 cents per hour, are not getting a subsistence wage! Of course the object of the testimony was to hold up the street-car riders or the city for whatever fares might be necessary to support the fantastic wage-scales he swore to.

Is it any wonder, gentlemen, that wherever the pick of investigation is struck into the cost of ad-

ministration at Washington, there is turned up a rank and rotten mass of corruption and waste? Secretary Wilson of the Department of Labor said the other day regarding deportation: "Class struggle, mass action, conquest of political power, dictatorship of the proletariat, socialism, communism, one big union, shop committees, shop stewards, etc., in the Communist Labor party platform, however reprehensible to the minds of many of our people, do not bring the organization within the purview of the Act, as long as no force or violence are used." Of course! These things are mere methods of looting the thrifty; let us say the taxpayers. Probably the Honorable Secretary is right regarding the technical purview of the Act; but I wonder if he could forget *Labor* long enough to bring such grotesque "economics" as Mr. Lauck's within the purview, technical or moral, of official integrity? The use of force or violence would be almost better than such sworn testimony; such *impossible* governmental representations; sowing such useless, unsatisfiable discontent.

In our school system also, peaceful penetration by Organized Labor goes on. Reports of committees show that organization of a teachers' union affiliated with the A. F. L. is under way; and night schools, some of them, as in Boston, are carried on in Public School Buildings. I have not been able to study the courses of teaching offered at these schools, which seem to be intended largely for the foreigners, far enough to judge of their purpose. Of course, no man would grudge any progress in education to the working classes; yet if such economics as Lauck's are taught, such hostility to constitutional rights and the judiciary as Gompers voices, such class politics as the labor campaign program of 1920 outlines, it behooves us, gentlemen of the press, *to look to our*

schools! Certainly, any educational activities of Labor will not run counter to its own carefully chosen course.

There has been considerable Labor penetration of our public services, state and municipal; as was much discussed at the time of the Boston and Atlanta police strikes. All through our public employment the same eternal vigilance, which is the price of liberty, must be exercised in the interest of the taxpayer, and of political morality. An universal Tammany Hall is not an ideal of democracy; even if it masquerades under the honest overalls of labor.

Our universities also seem to me full of the propaganda of Organized Labor, mingled with collectivism; here at Harvard, for instance. I am myself a Harvard man; and believe in the intellectual independence of the professor, up to the point of constitutional right or wrong — when he should back his country, or get out of it. A very sincere and honest group of professors at Harvard and Columbia seem to love the wide collectivism of Organized Labor; without the least conception of the impossibilities involved, and as far as my reading shows, without at all studying or realizing the *minus* results achieved. I doubt whether any one of them ever created or financed an industry, or employed even so few as an hundred men; or ever tried to coax the necessary but unwilling dollars from the bank account of the hungry capitalist, so eager to grab everything in sight, and exploit the workingman; or ever stood between the devil and the deep sea of trades-unionism and sales competition; or ever gambled on the crops or politics or change of fashion, or other blind factors in supply and demand. Fortunately for themselves, their universities rest upon the sure foundation of the endowments given by men who

have successfully done all these things; and their salaries, though none too large, are secure. They do not have to worry about markets or how to meet the next pay roll; or whether perhaps they can secure workmen for wages at all. They can let such details be taken care of by the poor devils who are "landed" with them; and can themselves loftily think in collectivities. But their moral and intellectual support of the impracticable and the unjust is pretty hard on the men to whom their great educational institutions, *all of them*, appeal for cash. It is to me a strange and curious thing that they should so little appreciate the enormous usefulness to the community of even the most selfish *bourgeoisie*. My own rather irreverent conviction is that the Lord created the bourgeoisie, because in His infinite wisdom he found that the best way to ensure the creation and storing of capital for the world; just as he created the bees to make and store honey. Of course, Mr. Gompers does not see it that way.

CHAPTER XXVI

PROFITEERING

ON the principle of *lucus a non lucendo* I go out of my way to say a few words about "Profiteering"; because it has nothing whatever to do with the Labor question, except in so far as *Labor* profiteers; which to be sure is something not to be despised. I refer rather to that part of the alleged crime of profiteering chargeable to Capital, and go into it because it forms an essential item of the stock in trade of every labor (and other) demagogue that orates nowadays. It is trotted out particularly to hide Labor's share in causing high cost of living, as a smoke screen is thrown out in modern sea fighting by warships to conceal their own place and movement.

"Profiteering," while unpleasant to those who pay high prices, is a perfectly normal manifestation of the free play of the law of supply and demand; and is its own quickest cure. For it must never be forgotten that nothing does away with high price except abundant supply; and that nothing stimulates production of abundant supply like high price and large profit. The very first essential to production is capital; and capital turns first to that field where the largest return offers, and away from the lower return.

For instance, the present crusade and legislation against rent profiteering seems to me the stupidest, most short-sighted piece of selfishness imaginable, though I am myself a renter. Rents have nowhere near doubled, though everything else has. The land-

lord's income from rents buys only half what it used to buy, and naturally he wishes to do as others have done: increase the price of what he has to sell enough to put him on the same plane of living relative to others that he formerly occupied. The law says *No;* you shall take twenty-five per cent more than of old, and no more — at least around Boston.

What is the result? There is great shortage of housing and storage. No building has been done for several years on account of the high cost of labor and building materials. That is why tenants who must have space bid up on each other and rents go up. If the landlord could advance rents enough to get a good return on the necessarily high cost of new buildings he would find the capital and build them. But *will he try to do so* — knowing that he cannot get a decent return *now*, for the current years when shortage is sure to fill every room he can provide; and with the certainty that a few years hence, when the cost of building falls and permits the competition of newer and cheaper buildings, he cannot get a decent return on his high-cost structures then?

Once more, the only sufficient answer is the slang, "Not on your life." There will be no relief from the present congestion of housing conditions so long as the law *penalizes* the man who would build!

Or, consider a prosecution commenced in Boston, May 25, against one of the pet targets of Attorney General Palmer (candidate for the Democratic nomination for the Presidency), to wit, the packer firm of Armour and Company; haled before the United States Commissioner, for importing a cargo of lamb carcasses from New Zealand, and selling them at a profit. Lambs (domestic) were selling in Boston at 30 to 34 cents a pound; so Armour took the risk of buying a shipload in New Zealand, and

bringing it refrigerated to New York and Boston, and offering it there for sale at 24 to 25 cents. It was of finer quality than the domestic lamb and sold readily at the cut in price. The evidence showed that the Chicago packer firm of Cudahy was obliged to meet the cut and sell domestic lamb at 25 cents. The Attorney General now prosecutes Armour and Company, because the lamb cost them in New Zealand about 13½ cents; and Armour therefore "profiteered."

Under the Lever law that firm may indeed be found guilty; but it is a safe bet that it will never try again to help the consumers in New York and Boston to get good lamb, *one fourth cheaper* than they can buy it at home, by importation from abroad. That kind of crime is profitable to the public and to the packer, — *too* profitable to both to be permitted to last; it is time for the *politician* to divert some of the profit in his own direction. Hence the Attorney General and the prosecution.

Consider also the prosecution just begun of the American Woolen Company and its President, William M. Wood. The company has undoubtedly made extraordinary profits, as have all our producers of standard food, clothing material, or other necessaries of life; because the world supply was short and there were foreign as well as domestic buyers for everything the American factories could produce, at prices beyond all forecast. The stimulus to production was huge, and the response instantaneous; the result shows today already in signs of overproduction and falling off of demand all along the line of American industry. Meantime, for a year or two the manufacturers have been extraordinarily prosperous. Now comes the Attorney General, and says that under the Lever law it was a crime to recog-

nize world prices; that if a manufacturer asks of an American as much as a foreigner will pay him for his goods, he is a *profiteer*. If he has to *buy* his wools abroad he must pay foreign prices, true enough; but he must not sell his cloth at them, taking rather what the American is willing to pay.

The case is not parallel to the building industry, in that the construction of new mills was stimulated early enough to take place before the Lever law, for the most part; and the mills were built, and are in existence, at work turning out goods, though not quite so fast as before. The prosecution of Mr. Wood will not stop *them;* as the rent prosecutions *will* stop building operations. But it is none the less stupid demagogy, it seems to me. It is, of course, sympathetic to Organized Labor; whose action here turns the spot-light on its political methods. Mr. Wood is popular with his employees at Lawrence, because among other things he has started a coöperative store for their benefit; so they got up last week a public demonstration of confidence in him, when his prosecution was announced, in which several thousand of them took part. The Amalgamated Textile Workers' Lawrence Local Union promptly came back at him with a telegram to Attorney General Palmer as follows: "Millionaire Wood contemptuous of law. Preparing public opinion to whitewash profiteers. Ten thousand organized operatives demand that government shall carry through the prosecution of Wood and all other profiteers, and that he be compelled to give the working people the government standard of $45 wages per week as a minimum, and also be compelled to reduce the hours of labor so as to prevent unemployment."

There is a *very* perfect bit of labor economics;

that burns the merry candle of capital at both ends and in the middle! Doubtless it will score a bull's-eye with Mr. Palmer; who has simply *got to reduce the high cost of living* before election day, whether as a candidate, or merely as a Democrat. But it is safe to predict that prosecuting Mr. Wood will not bring more woolen goods into the world markets; nor reduce the cost of clothing, nor increase the wages of the Textile Workers' Union, by one penny; nor tend to stabilize the business situation that hangs over us all.

To return to our sheep—perhaps I should say our lambs—let me beg you, gentlemen of the press, not to let Labor camouflage its *own* war on the American public by charging the American capitalist with high levels of prices and cost of living, that are substantially the same, where lack of transportation does not disturb them, throughout the civilized world. President Wilson says we cannot isolate ourselves politically, which is true; still more true is it that we cannot isolate ourselves commercially.

CHAPTER XXVII

THE EIGHT-HOUR AND SHORTER WORK DAY

THERE is no more instructive reading on the philosophy of Labor than the oft-quoted Report of the A. F. L. for 1919, pages 72, 145, 241, 449, 452–454 inclusive, on the subject of the Shorter Work Day.

Perhaps Mr. Gompers' greatest achievement, next to the size of the A. F. L. and its control, is the progress made toward establishing the eight-hour day; which is becoming common, though not universal by any means. The report discloses formal indorsement by the Federation of any movement inaugurated by any affiliated body toward a still shorter day, for instance six hours; or for a shorter week, with a half holiday on Saturdays, making a forty-four hour week at eight hours a day; of course, *without reduction of pay, i.e.*, "wages so adjusted that the earnings of labor will buy the same amount of the necessities of life." The committee recommended and the Convention adopted the following: "That the Executive Committee lend its assistance to any organization seeking to establish a shorter work day that will provide for the employment of all its members," — the organization to be the judge; and when it has determined the "shorter hours, no matter what they may be, the A. F. L. shall lend its fullest assistance." During the debate the probability of slack trade and unemployment was forecasted by several speakers; and Mr. Green, of the

United Mine Workers, said it was "the very serious purpose of the United Mine Workers to press for a further shortening of the hours of labor which we now have, in order to furnish employment to the thousands of mine workers in the industry." Mr. Green had previously called attention to the war results of the industry; after losing 100,000 workers demanded by the war, yet it increased output beyond any figure hitherto thought of. Mr. Tracy favored a campaign of education for the shorter work day, among members; referring to "overtime hogs" who had no concern in the organization other than the amount of money in their pay envelopes.

The instructive feature of the debate and the resolutions is the prevalence in the minds of the labor leaders of the old false, laborer's notion, that there is only so much work to go around; and if there are more men than needed to do it, it must still be split up among them all, each man doing less, in order to keep them all employed; of course at full wages. The fallacy of thinking that when there are already too many men for the work, it will help things to put on more; that either the world or the men themselves can possibly benefit by loading the product with useless labor,—or rather with the cost of wasted time,—has always stuck in the heads of the labor leaders, especially Mr. Gompers—who has several times laid down the law on this point. This debate took place on Resolution No. 160, which read in part as follows:

"Whereas tremendous changes have taken place in the industries of this country and the world, due to the introduction of new machinery and methods of efficiency; and production of commodities has increased to a great degree; therefore

"Resolved, that the A. F. L. . . . conduct a campaign . . . to establish the Universal Six-Hour Day," etc.

Now, the whole history of trade and industry demonstrates nothing more broadly, than the fact that, whenever production overtakes and exceeds demand in any industry, capital seeks *new* employment in diversification and creation of *new* products and markets therefor; absorbing in the process the idle labor released as surplus from the older industries which can no longer expand. Of course such diversification is an affair quite beyond the vision or concern of labor; which is content to reap the benefits in due season. The most discouraging thing to the student of Organized Labor, who like myself has believed in its educational possibilities, is the denseness—real or feigned—of leaders like Mr. Gompers, in grasping such elementary facts of history and economics, although vital to labor. I cannot see that it would in the least cripple him, whether as honest steersman of his followers, or as demagogue, to avoid smashing his Federation against the stone wall of economic law.

However that may be, there is no reason why *you* should not see straight, gentlemen of the press.

It is evident that our Daylight Saving Laws, which are further attempts of legislation to interfere with nature, and standardize local conditions, are not entirely successful. The farmers are in arms against the cities by reason of them; and the worst of it is, that there is likely to be an exceedingly dangerous reaction, and a most unexpected one, upon the volume of our crops. The papers are filled with dire forebodings, probably exaggerated, yet not hastily to be dismissed from mind.

In this connection the eight-hour day is playing a wretched part; and it is evident that when the President announced the "sanction of society" for the eight-hour day, he had in mind only our Cambridge

sociologists and their like, shutting out the *farmers* at least from that polite collectivity. Nor are the farmers alone in thinking that an eight-hour day is too short; I incline to judge, from the A. F. L. Report as well as general knowledge, that the great bulk of daily work in two or three hundred thousand large and small shops, in retail stores, and domestic service, is still done on a nine-hour or longer schedule. Of course, the "eight hours for work, eight for play and eight for sleep," sounds symmetrical and enticing; and nobody wants anybody to work a minute longer than necessary. The serious question is, "*Is eight hours enough to do the world's work,* and keep us all alive and prosperous as we have been on longer hours?" I think you will agree with me, gentlemen, that there is no way to find out, but to try; in each industry for itself and by itself, not tied by Federations of Labor and Houses of Politics into hard knots with other totally unrelated industries. You can't work a jackass and a motor car very well in double harness, for instance.

The blast furnace *must* work twenty-four hours a day, the morning paper *must* be printed at night, the housemaid *must* get up before breakfast and stay up after supper, the street car *must* run often or not according to volume of traffic from hour to hour. The city firemen can work, or rather *wait for fire alarms*, twelve hours a day, easily; the stoker in front of a hot furnace can stand it perhaps for four hours twice a day; and so on through an infinite variety of demand on mind and muscle. Human life *must* go on; and its requirements in human service *must* be met and paid for on such conditions and at such rate *as will fetch the needed labor. That* is the only criterion of work and wages; subject of course to reasonable veto by the state of conditions prejudi-

cial to the health and future of the race. There is but one way out; and that is *not to attempt* the standardization of unstandardizable employments, but to leave employer and employee absolutely free, in the old and natural way, that has worked out the immense progress of the race, to hire and be hired, if and when they can agree together.

Meantime, per capita productive power tends always to increase in future as in the past, and hours of labor tend always to decrease in future as in the past, — that is to say, in any given industry, as output overruns demand by virtue of greater efficiency in production. But the eight-hour day is new, while the world is thousands of years old; and constantly has the race progressed in numbers and in welfare, with a *far longer* working day. A shorter day is evidently *not* necessary for human welfare; and it remains to be proved whether even an eight-hour day will sustain the world in present ease and comfort, especially after a few centuries, when coal and oil give out. However, they will last our time. After us the Deluge!

Meantime I submit that greater diversification of industry, more necessaries and luxuries of life, higher standards of living, are worth more to all of us than an hour or two more to loaf every day. Certainly, nine men out of ten are better off and happier at work than when idle, up to the point of healthful fatigue. I never happened to know a man who had done anything *extraordinary*, in so little time as eight hours a day, average work. Mr. Gompers himself says he works sixteen hours, and I believe him! The Federation should expel him as a "scab"; or rather as an "overtime hog."

CHAPTER XXVIII

SUCCESSFUL COÖPERATION

MOST fortunately and auspiciously for American industry and politics, the honesty and sound sense of American Labor has already begun to show itself in practical coöperation with Capital, foreshadowing the radical change in temper and purpose of trades-unionism, which I have hoped to expedite by the teachings of this book. Two most interesting, significant, and *successful* examples of coöperation have recently been made public: those of the garment workers and their employer in Cleveland; and of the street railwaymen and the Philadelphia Rapid Transit Company. The latter is the older, formally inaugurated in 1911. It is the remarkable achievement of President Thomas E. Mitten, the most successful street railway manager in all the world, apparently. I quote from the Boston *Herald* of August 22, 1920, as follows:

"There was a man in Chicago, at the head of the City Railways Company, who had achieved a high reputation there and in other large cities. So Thomas E. Mitten was called to Philadelphia. He took hold as chairman of the company's executive committee under E. T. Stotesbury as president; in 1914 Mr. Mitten was made president. Mr. Stotesbury is the Philadelphia representative of the house of Morgan & Co.; the present régime has been known from the start as the Stotesbury-Mitten management.

"Mr. Mitten began by meeting his men on a get-together basis so friendly, so frank, so democratic, as immediately to

win them over — at once forming a relationship so intimate that the attitude of mutual trust was soon so strongly cemented as to grow steadily firmer to this day. One of the first things done, with the help of Mr. Stotesbury, was to take the company out of politics. At that time Philadelphia politics had lost little of its old-time savor as a particularly rotten mess. The P. R. T. was thus relieved of one of its worst loads and its men were set free to vote as they pleased.

"The new management took hold in 1910; the coöperative plan has been steadily developing from then to now, even augmented by desirable new features. The original coöperative plan was presented to the unions in 1911, resulting in a signed agreement to abide by the action taken. A recognition of collective bargaining was a basic principle. At that time trainmen received a maximum of 23 cents an hour; the rate is now 61 cents; in the near future, as agreed, it will be 72½ cents. With higher wages has come a steadily improved morale. In return, the company has received what an official well terms a 'super-service' so loyal that, while the company in 1910 was carrying 445 millions of passengers at an average fare of 4.13 cents, in 1919 it carried 850 million at an average fare of less than four cents. And yet in 1919 these were carried by fewer trainmen than in 1910. Almost doubling the number of passengers and reducing the average fare! This measures the development of the riding-habit. In 1910 the city's population averaged 288 rides per capita; in 1919, over 400.

"Up to 1913 wages were paid out of a fund of 22 per cent. Then, with changed conditions this proved inadequate. For two years, more was paid than the fund produced. The new scale is based on the average of the maximum rates in the four cities: Chicago, Milwaukee, Cleveland, and Buffalo. The latest rate, 72½ cents, is as of May 16, June 1, 1920, and is retroactive; pending a discussion with the city authorities and the public service commission, it was agreed that the increase should not take effect until a decision had been reached. Of this unanimous vote by delegated representatives to await the increase of revenue looked for President Mitten said that a coöperative effort of men and management to work to a mutual purpose had here been given a new meaning in sustain-

ing the policy to give the best possible service at the lowest rates of fare; to pay the highest wages equal to the average in other cities of like conditions, and to protect properly the equities of stockholders. From the men at large came this sentiment:

"'We will stand back of President Mitten to a man in anything he does in connection with the management of the P. R. T., knowing full well from past experience that our cause is in good hands; and we approve this action of our representatives with three hearty cheers and best wishes for his success in all his undertakings.'

"The organization established jointly by management and men to carry out this policy is The Coöperative Welfare Association, with a membership of nearly 100 per cent. Membership costs the men $1 a month; the company contributes a like amount by agreement and has lately doubled its payment, making the total receipts about $300,000 a year. One feature is a savings fund of over $800,000 a year. This shows that about 10,000 employees are earning more than a living wage.

"A principle of the management is to see that ambition is duly rewarded by assuring promotion to those who fit themselves for it. A policy is to maintain the 'open shop.' The aim of increased production to meet higher wage-cost has been accomplished in a most remarkable way: an increased production of 120 per cent as compared with a higher wage-rate of 151 per cent since 1910 is robbing the high cost of living of its terror.

"Representatives of the wage-earners are elected by secret ballot to form an assembly containing also direct representatives of the company for discussing and determining every matter of interest to the employee in their relations with their employer. This form of coöperation has had a test of about nine years. The controlling thought of the management is that with and through the men themselves the condition of employment and well-being should be improved. It is held that the degree of participation in the management to which the men themselves may aspire is yet unknown; it must depend upon the success which follows a more intelligent handling of present duties and the efficient handling of their domestic affairs on a business basis."

The Boston *Herald* also quotes President Mitten of the Philadelphia Rapid Transit Company as follows:

"The keystone of all success as between men and management is confidence. . . . The confidence of the men in the management, and likewise the confidence of the management in the men, is what makes Philadelphia stand out in accomplishment."

The Cleveland example is not so far advanced in showing financial results — it is not yet old enough. But two men, Messrs. Morris A. Black, a Harvard graduate, president of the Employers' Association, and Meyer Perlstein, a Russian Jew, general manager of the International Ladies' Garment Workers' Union in Cleveland, after fighting for several years, got together during the war — in 1917 or 1918, I suppose — for coöperation and maximum production, with of course maximum wages and best conditions. The two sides jointly employ efficiency engineers to determine maximum scales of output, consistent with health and reasonable recreation, standard conditions, and wages proportionate to results. Provision is made for adjustment of controversies within the shop if possible; if not, then within the joint board of the associated shops; if not even there, then by outside arbitration. But the point is, *not* to strike or interrupt output; "the parties talk of work first and disputes second," says Mr. Samuel Crowther, who writes of this experiment in *The World's Work*. He quotes Mr. Perlstein as follows:

"When I first came to Cleveland and for a couple of years afterward my inclination was to be radical, to advocate the absolute ownership of industry by the workers, and to strike just to weaken the employers. Ownership by the work-

ers is a part of the preamble to the constitution of the International Ladies' Garment Workers' Union. I had a leaning toward industrial warfare for itself — that is, to break down capitalistic control.

"Now I have changed my mind. I recognize that there are three parties to industry, and I am of the opinion that if a labor union can coöperate with intelligent employers in such a way as to increase production and the two can get together to stop seasonal work and at the same time give a proper service to the public, then the wages of the workers will be higher and the public will get better goods at lower prices than if the workers alone own the establishment. I think that when we get properly together we can all get what we want, not out of each other's pockets but out of the biggest profiteer of all — that is, waste.

"In the garment trade, and I think it is the same in every other trade, there is enough waste of time, motion, and material through bad manufacturing methods and through an overemphasis on seasonal work to allow, if cut out, the employers a reasonable profit, the workers a reasonable wage, and the public goods at a low price.

"I used to think, with many other union men, that there was only so much work to be done and that the way to give employment was to spread out this work so that every one might have a job. I no longer think this. If an employer tries to get high production, paying low wages, and then shutting down his plant and holding goods for a high price, then the proper reply of the worker is to limit production; but if the employer comprehends good business methods, and gives both the public and the worker the benefit of the increased production brought about by higher wages and lower prices, — which is always possible, — then, and only then is it the duty of the worker to coöperate. That is the basis we have reached here in Cleveland, and I think we reached it before any one else did."

You can value the significance of these new departures in relations between Labor and Capital for yourselves, gentlemen of the press, without further comment from me. Between them, Mr. Mitten and Mr.

Perlstein pretty completely cover the field of remedies for labor unrest.

Before closing this chapter it is worth while to quote Mr. Perlstein once more, as a sidelight upon old-style labor methods, and by way of contrast to the foregoing.

"When I got here in 1914 there was no local organization and not more than twenty-five or thirty people in the city with union cards, and they were afraid to show them. Just as soon as the bosses learned who I was, any workmen seen talking to me were fired. They threw me out of every shop I went into. I called a strike wherever I could but the men seldom came out. These strikes were not about anything in particular, but organization strikes — that is, if you can get a certain number of people in a shop to walk out and then have them picket the shop, a number of others will be afraid to go to work and you can get them for union members. The strike is a part of organization work. It is the most expensive but also the most effective way to get results."

CHAPTER XXIX

SUMMARY OF FACTS AND CONCLUSIONS

I NOW come to the hardest part of my task; so to state my conclusions as to carry your convictions, gentlemen, along with my own. The latter are so decided that I fear the reaction of their emphasis against my own arguments. Let me take off my hat for the thousandth time to Governor Coolidge, whose masterly address to the visiting members of the National Editorial Association at Boston last night (the evening of Decoration Day) will I hope be read by every newspaper man in America. Its few columns are worth a dozen books like this, as true inspiration to you men of the press to do your duty by the country always, and especially in the matters of which I write. Would that I had a little of his positive genius for hitting the nail on the head in two words. Bear with me, please, if too prolix.

In treating of Organized Labor, more particularly of Mr. Gompers, I would not join what a certain lurid, hyphen-haunted scribe might call the Tarbell-and-feather-Rockefeller-school of history. I feel myself an amateur in this behalf compared to that first of all professionals, Samuel the prophet (to some extent the *profiteer*) of Labor; and I have not the cocksure confidence in the amateur as against the professional, that was voiced on a now historic occasion, not so long ago, by the first of living amateurs, in perhaps his profoundest bit of self-revelation. Let me therefore deprecate my drastic

convictions, even if I cannot shake them. Here they are, briefly summarized:

Though I may save my money, build a factory, and offer work and wages to attract labor to my project, I do not admit any intention, and in fact do not "struggle," to "oppress" or "exploit" any laboring man; but on the contrary my offer, whether he accepts or refuses it, is a distinctly friendly and beneficial act toward him, although I am doing it for my own sake and not for his.

Mr. Gompers' appeal to my laborers to organize for a class struggle with me is therefore based on a German lie; the motives of class hatred, selfishness, and sloth, which he stimulates, are thoroughly evil; the purposes he formulates of monopoly, extortion, and denial of the rights of others, are entirely bad; the methods he uses, of combination to coerce the employer, or the public, or both, by means other than peacefully quitting work (the legitimacy of which is generally conceded to the employees of any given employer) are morally wrong and legally criminal; his constant pressure for more pay on the one hand in return for less work on the other; his forcible interference with free action of the natural law of trade, are commercially dishonest, economically impracticable, and financially disastrous. They have resulted, and must more and more result, in high cost of living and injury to industry and the community; and in inevitably low earnings for labor itself. For it is impossible for labor to get more out of the world by putting less into it.

Furthermore, Mr. Gompers' political policy, asking class advantage as the price of nonpartisan political harlotry, offering the vote of labor to the highest bidder, without distinction of person or principle, tends to complete, with the above, the demoraliza-

tion of the union laborer, whether as honest workman or good citizen.

The huge and centralized organization which Mr. Gompers controls, its enormous income of over 50 million dollars per annum (far beyond that of any political party) — contributed by millions of poor men, either *voluntarily*, in the belief that paying tribute thus fattens the pay envelope; or *perforce*, by reason of terrorism or in the grip of the ruthless "check-off" system — this organization and income, especially the latter, give to the labor autocracy power so great, so irresponsible, and so dangerous, as well to deserve the jealous scrutiny and control of a free people. Even Tammany Hall does not hold as it were a first lien on the wages of the thousands of employees of the city of New York; nor does the Democratic Administration take out of the pay envelopes of letter carriers all over the country, before handing them to their hard-worked owners, an assessment to support the "Organization"! Ponder this thing well, gentlemen of the press.

Turning to industrial considerations, the huge and complex system of labor organization and federation by crafts instead of by employments — tying together as it does the labor troubles of all concerns employing members of the same craft — is a necessary hindrance to industrial peace, and makes for the spread of strikes. To me, as a lover of economy in operation, it seems over-organized and top heavy; and it certainly has been colossally costly to labor with no corresponding return. It is designed, as its organic laws reveal, to carry out the sympathetic strike, the general strike, and the strike against public welfare; all of which are unquestionably against public policy and should be abated.

In other words: the centralized control of, say,

four million workers in great national strike machinery is of no value to the individual worker, but rather a positive detriment, in adjusting his wage and work with his actual employer. Its sole value and purpose seems to be the holding up of whole industries or vital public service; that is, *of the people — for more pay than is due for work done,* under the free and fair award of the laws of trade. Else it must be, and indeed it openly is, intended as consolidated voting machinery to control elections by class vote.

Either purpose is a menace to free government; and should be put an end to by law enacted by free people. No one benefits by either, except a vast labor bureaucracy, useless to labor itself and pernicious to the state. Decentralization, free operation of natural economic law, divorce of business from politics, least government, least political bureaucracy; also, least taxation — *these* seem to me the best tonic for our industries.

But they are nothing new; nothing but a return to normal conditions under the Constitution of the United States.

Of course it would be altogether desirable, as I shall try to show in a later chapter, that these radical changes in the organization and purpose of Labor should come about voluntarily with its hearty cooperation and good will. That would be the ideal course of action for all of us free Americans. The legislative remedies later suggested are proposed only because so far there is no sign of change of heart on the part of the labor leaders. Unless the Montreal Convention of the A. F. L., which as I write is but a few days off, shall abandon Mr. Gompers and his fight for centralized control of labor and minimization of production (as is most unlikely), the American people must inevitably, in

1920 or later, meet at the polls the fundamental question of the freedom of government and of business from the domination of Organized Labor.

Meantime, as the Steel Corporation has shown on its great scale, and my own experience cited above confirms for ordinary concerns, every employer great or small can at any time free himself and his working people from the Labor Octopus by frankly declaring his job non-union, once and for all. All that is necessary is to so order his affairs as to be able to shut down tight for ten or twelve weeks when unavoidable, once in five or six years perhaps, to give his laborers, who by and by forget, a little leisure to learn and ponder again the utter uselessness of great centralized Labor-organization.

Employers have been very slow to do this simple thing, however, and the current evolution is and will be, in my judgment, along the lines of *useful* trades-unionism (that is of strictly *localized* collective bargaining, wherever it actually works to mutual advantage, as in the Cleveland and Philadelphia cases cited above), with growing realization of the democratic and educational value of *sound* union principles.

Of course, such evolution will hardly suit Mr. Gompers, who will shout "Unfair, unfair to labor." But the public will come to understand that this catchword, so appealing to our clergy, means in the vocabulary of Organized Labor merely an employer who refuses to become party to its great game of humbugging four million toilers out of fifty million dollars a year, for no earthly use.

CHAPTER XXX

REMEDIES. POPULAR ACTION. "S. O. S."

UNTIL Mr. Gompers announced his political creed not long ago no American demagogue had dared openly to propose a class vote for class advantage. Many had been as selfish as he, but all, I think, had been hypocritical; pretending to seek power for the good of the people, or of the world, as a whole. It remained for him alone to abandon all show of patriotism, and announce that Organized Labor knows no welfare but its own; that it has no general political principles or platform, no issues on which to fight the coming campaign; and but one question to ask every candidate, whether Republican, Democrat, Socialist, or Anarchist, no matter which, namely,—"What will *you* do for Labor, if elected?"

It is hardly necessary to cite instances of the political demoralization already worked by this prostitution of the labor vote. The whole mischievous twist of every natural fluctuation of wage-scales, in response to changing trade conditions, away from a purely economic to a political issue of local or national extent; the Adamson Law, with its reaction on railway rates and taxation; its sequels of the Plumb Plan and the "outlaw" railway strike; the Clayton Act, with its attempt to legalize labor and farmer holdups; the Act returning the railways to their owners loaded with operating deficit, yet with notice to those unlucky investors that railway labor may any

time, with full sympathy of Congress, paralyze railway operation by strikes, even against the public welfare — all this unholy alliance of the labor leaders with the politicians in power, to set up government of the people by and for Organized Labor, is as dangerous to labor itself and the different demagogues concerned as it is to the state and to commerce. No man can tell when or where a crash may come, or who will go down in it.

We know from the preceding chapters just what Labor wants of politics. It wants free slugging on the picket line, free sabotage, — no police or military protection for non-union men or material on the way to the job; it wants no injunctions protecting the employer or non-union man against combination to prevent his quietly pursuing his lawful business; it would take from our supreme courts that power to invalidate unconstitutional laws, which has been their chief glory and most valued function; it asks government to take over and mishandle great properties in order to raise wages, shorten hours, forbid efficiency, and plunder the public and the taxpayers for Labor's benefit; it wants the law to force employers to submit and pay tribute to a huge, rich, and rapacious labor monopoly, which in its turn shall obey and pay tribute to a small centralized labor autocracy; it carefully meantime contrives utmost irresponsibility.

From the beginning to the end of this political and industrial program there appears but one dominant motive, — pure selfishness; but three constant objects, — the most pay, the least work, the greatest irresponsibility, for *Organized* Labor. There is but one consistent appeal — to the miserable human instincts of envy, hatred, discontent, and sloth; but one uniform method — monopoly and coercion; but

one regular line of action, if it can be called action —to balk, rather than to pull with all the rest of us. From beginning to end there has never been evident the least intention to help the community by *doing* more when *asking* more; but always on the contrary the plan is to rob the crowd by extorting more for doing less, under threat if resisted to work ruin by doing nothing at all. Representative government is now asked to sanction this program throughout.

Let me urge upon your apprehension, gentlemen of the press, the menace to free constitutional government of this so-called non-partisan political aspect of the "labor movement." Industrial troubles will wear themselves out; indeed they are rapidly doing so, as the country's growing impatience with the balky mule of Organized Labor gets to the point of starting a fire under it. Comparative peace will settle down and losses will be forgotten by and by. But unless you gentlemen put the country on guard at the polls against a sort of *national* Tammany Hall of four million members, say two million possible votes, and fifty million dollars certain income, frankly and definitely "out for the stuff" for themselves and families, at the cost of the rest of us and our families, —unless you stand for enforcement of law; for representative government against class control; for the Supreme Court against the Federation of Labor; in short, for the Constitution as handed down to us by our fathers, —we who want to govern ourselves, and have something to save, may have to gather it together and start a new pilgrimage *from* Plymouth Rock (this three hundredth anniversary year of 1920 would be an appropriate date), say, to the Sahara or the North Pole, where it would hardly pay Mr. Gompers to follow.

However, I have not the least idea that such a pilgrimage is really before us. During the Spanish War an Englishman of high degree once asked me in a London drawing-room what we were going to do with the Philippines. I answered that I could not imagine; that under our theory of government by consent of the governed there was no place for a subject race in our political system; while on the other hand we would never put a presidential election at the risk of perhaps the Philippine vote. He answered dryly: "You Americans are a practical people. Why not quit talking of the Declaration of Independence and the Rights of Man; and *govern* those savages?"

That was an English aristocrat's point of view, surely enough; but there was a grain of suggestion in it. We Americans *are* a practical people, and make up our minds with amazing suddenness to govern the lawless, when it becomes necessary. The coming campaign may illustrate the habit; and if it does, will be quite in line with recent demonstrations of popular practical wisdom in the other two great democracies, — England and France. But a short time ago the mass of the English people, though with them trades-unionism is far stronger than with us, rose against it in the matter of railway, coal, and docker strikes; supporting the government in maintaining public service so powerfully that the strikes collapsed. The French people have similarly solidly supported the government against the French Federation of Labor; and today the cables say that the peasantry are presenting great petitions to the Chamber of Deputies, asking legislation against strikes to hold up public service. *Those peasants want work and earnings!*

Over here, yesterday, the Anthracite Mine Work-

ers in session at Wilkesbarre, declaring that "class legislation has made it almost humanly impossible to wage a successful strike," accepted President Wilson's plan to remain at work subject to an arbitration agreement retroactive to April 1; and they were wise to bow to public opinion. For this year of war aftermath, of reconstruction of unbelievable loss of life and wealth, is the psychological moment when public opinion must as a matter of life and death begin to assert itself along lines of common honesty and sound economics. It is far easier to drop in and do so *at the polls* meantime, than to start for the Sahara or the Arctic next Plymouth Rock Day.

Here is the situation. Our constitutional and statute law, until the recent passage of the Clayton Act with its class favors to farmer and laborer, embodied all the protection necessary for the peaceful prosecution of every man's lawful business; *if enforced.* For forty years the threat of the labor vote, held over the heads of politicians in power, has more or less prevented enforcement; *and now it is to be used to change the Constitution and statute law so as to do away with all protection altogether.* For the presidential election *it is supposed to total a possible two million* out of eighteen million votes to be cast by all parties (women's votes additional); which would be *quite enough to turn the election* if voted solid — as it never has been. It is advertised as *non-partisan*, for sale to the highest bidder, both in national and local elections.

Bear in mind, however, that to counterbalance the threat of the labor vote, and restore the nerve of party politicians, it is only necessary to mobilize a similar free-lance vote of opposite intention, and the same possible size; committed to the preservation of constitutional liberties and rights. The visibility of

such a possible counterbalancing vote would promptly free the average Congressman from labor terrorism; and when free from pressure the average American legislator tries to do about right.

Of course, to recruit two million votes is a man-sized task; but at this juncture it does not seem to me impossible. I would suggest the following outline of a *Plan of Campaign* as a starter, to set popular thought in motion along lines of popular action:

PLAN

That employers, large and small, in each important city, start a non-partisan movement in defense of constitutional individual right to do lawful business, and against all combination to prevent the same — *and that they finance it*, as performance of their plain duty to themselves and the community, particularly to their own employees, — using perhaps, as the most open, rapid, and economical way of enlisting popular support, advertisements in the daily papers, somewhat as follows (form of advertisement):

"S. O. S."

The undersigned, and such other employers as may see fit to join them, hereby send out this S. O. S. call to all who believe in, and are willing to stand for, the subjoined Declaration of Principles; urging them to sign and send in the subjoined application for membership in the

"SICK OF STRIKES" OR "SAVE OUR SAVINGS" UNION

of the city of , State of , and thereafter to support the said principles, and carry them into effect, as occasion may arise, by their votes at city, state, and national elections, whenever consistent with such paramount political obligations as may from time to time appear.

Acceptance of this call, and membership in the S. O. S. Union of , will involve no money obligation for dues or debts of the Union; which has been incorporated as an association not for profit, and will be financed by the undersigned, and any others who may wish to contribute toward its expenses; but it is understood that no member shall vote at elections of officers of the Union, or for members of its committees, unless he shall contribute to its support. Each contributor shall have one vote, regardless of the amount of his contribution, and one only.

A first meeting of contributors for the election of Officers and Committees will be held on , at o'clock at Number Street, in the city of

The Union will be *non-partisan;* and will not nominate, or as a Union support or oppose, candidates for office. Its activities will be limited to keeping a card index of members; and communicating to them, preferably by advertisements such as this (as serving to inform the public generally, also) such specific information upon issues and candidates, as will enable members to guide their own votes according to the principles professed by the Union.

Additions or amendments to those principles may be proposed to the Officers or Committees by any ten (10) members (for which purpose the roster of membership shall be open to any member); and shall be received and passed along by mail by the Secretary, at the expense of the proposers, to the contributing membership. If accepted by a majority of the latter, they shall then be submitted in like manner to the whole membership for adoption by majority vote; in which each member, contributor or not, shall have one vote.

This advertisement, if cut out, signed and returned by mail to the Secretary of the Union, will constitute the signer a member in good standing; subject to resignation at any time.

Declaration of Principles

The undersigned have learned, by long experience, to believe in the following general principles:

1. Highly centralized strike machines of vast membership and means, carefully guarded irresponsibility, and ruthless

selfishness of purpose, have amply proved themselves, by frequent strikes against whole industries and the public, to be a menace to modern life. Furthermore, by class threat of political activity, they now menace free government. Therefore the Labor Trust, like the other Trusts, should be controlled by law.

2. Decentralization, in labor and industry as in politics, is of the essence of greatest liberty and efficiency.

3. Absolutely free play of the law of supply and demand in the labor market as in other markets is the best friend of the laboring man; and permits the nearest approach to Social Justice, in actual practice.

4. Combination either of employers or laborers to coerce each other, by other means than lawfully and peacefully suspending business relations, is contrary to public policy and private right; and should be prevented by law.

5. Strikes against public service, or supply of necessities of life, or to hold up whole industries or groups of employers; likewise sympathetic or general strikes, for the purpose of coercion of private individuals or the state, are criminal, against public policy, and should be forbidden by law.

6. The assertion of the foregoing principles, and the liberation of business and the community from the shackles imposed on both by centralized class organization, constitute a public and private duty to themselves, their employees and the state, such as to justify patriotic merchants and producers in publicly financing this organization therefor, as part of their costs of service, and passing its cost along in prices to the public; in anticipation of benefits sure to accrue to all concerned by reason of greater efficiency, higher wages to labor, lower cost to the consumer, and greater profit to the producer himself.

7. Subscription to this Declaration of Principles is to be taken merely as an expression of conviction, and not as obligating the signer to do or refrain from doing any particular thing in any particular case, but rather as voicing his general intention to coöperate in carrying said principles into effect in specific instances, as from time to time his judgment and ability may determine.

In accordance with the foregoing Declaration, it is under-

stood that membership carries with it no binding obligation whatever on the individual member; except for such contribution toward the expenses of the Union as he may volunteer.

(Signatures of signers of "S. O. S." call to follow here.)

The undersigned accepts membership in the S. O. S. Union of.....

Signature .....

Date..... Address .....

If one may judge from the talk he hears on the street and among his acquaintances, S. O. S. unions initiated as above, by the active employers and good citizens in each city and its subsidiary region, would soon become powerful centers of concentration of effort along the lines chosen; especially if the leading spirits in them showed breadth and sincere patriotic purpose. Their advertisements would soon tell the story.

They would also serve another extremely valuable purpose, namely, they would take the social curse off the hateful epithet "Scab"—so powerful in the moral terrorism it exercises among working people. The non-union man would find himself free to join an "S. O. S." union, where "Scabs" were respected rather than despised. His wife could hold up her head and say, "We belong to the S. O. S. Union."

Another socially just mode of popular action has several times been mooted, and was hinted at in one of Governor Coolidge's pithy utterances; namely, the enactment and *popular support* of laws forbidding the sale of food to men on strike for the purpose of cutting off public service, fuel, or food supply of any kind. "If any would not work, neither should he eat," said the Apostle Paul; whose economics appear to have been as sound as his Christianity.

CHAPTER XXXI

LEGISLATIVE REMEDIES

SUPPOSE we beat Labor at the polls, what remedies should be sought for at the hands of representatives and executives elected; and on what principles should we base them? The answer to both questions is easy. First, we must ask for restoration of constitutional individual rights — that is to say, for complete liberty of employer and laborer, and unhindered operation of the law of supply and demand; and, second, we must assert the right of the community to protect its own life and welfare against deprivation of food, fuel, or essential public service of any kind, by conspiracy among workingmen or others. The principles underlying both are those embodied in the Preamble to the Constitution, to "establish justice, insure domestic tranquillity, . . . promote the general welfare, and secure the blessings of Liberty.

Considering first the *liberty* of the employer and the non-union laborer, and the unhindered operation of commercial laws, the statute and common law as they already stand are quite sufficient, *if enforced,* to ensure both desiderata; except for the recent adoption by Congress as part of the Clayton Act of a clause providing that labor combination shall not be held to constitute criminal conspiracy at common law in restraint of trade. That Act, which Mr. Gompers proudly says contains "the most far-reaching declaration ever made by any government

in the history of the world," *should be repealed* in so far as it excepts the laborer and the farmer from crimes, which the common law establishes as such against all the rest of us. It has never yet been passed upon by the Supreme Court of the United States, and will, I fancy, be declared unconstitutional, as *class* legislation, when it has its day in court; but meantime it should, as occasion arises, be made an issue at the polls, and its repeal should be set on foot.

In Wall Street, first preferred, second preferred, and common stock may be all right; but we do not want first preferred, second preferred, and common criminals in our jails or out of them. The criminal law should make no class distinctions in democratic America.

Together with the repeal of the no-conspiracy clause of the Clayton Act should be enacted a law forbidding strikes against the public welfare; also forbidding coercion of the individual employer by other means than peaceful refusal of his own employees to continue at work.

No man is obliged or can be compelled to work for any particular employer or at any particular task; that would be industrial slavery. But there is no reason why the state should not provide by law that any man who *chooses to take employment* in supplying any public or quasi public service, *necessary to the daily life of the community,* shall *enlist* in that employment for a stated term; during which it shall be unlawful for him to quit work, alone or with others, except by consent of his employer previously obtained. Penalties should be provided for breach of duty and against conspiracy and instigation to commit such breach.

Finally, in order to "insure domestic tranquillity,"

and "promote the general welfare," the general principle of *Decentralization of Power* should be applied to Organized Labor. To that end an Act to define and limit Freedom of Employment, that is, the right to hire, the right to organize, the right to strike, and the law of collective bargains, should be passed. Such an Act would contain very little that is new, and is needed rather to clarify popular understanding of existing law than to create it. Let us consider these rights *seriatim*.

Every one of us now supposedly enjoys freedom of employment as part of his individual liberty. We are always free to offer, withhold, accept, or refuse work and wages in any lawful industry, under any lawful conditions. Whether the work is heavy or light, the wages large or small, the hours, etc., hard or easy, concerns only the man who offers and the men who accept or refuse. Neither can compel the other to offer, withhold, change, accept, or refuse. The transaction is purely voluntary on both sides, becomes binding on either party only for the agreed term. If employment is by the day or hour, both parties are bound only for the day or hour; and not even that long if either party fails to live up to agreement.

In other words, neither party has any "right" against the other *in advance* of an offer made and accepted. The laborer's undoubted freedom to accept or refuse an offer, *if made,* does not put the employer under any obligation whatever to *make* an offer. Single laborers, or a thousand laborers collectively, are certainly free to empower "a representative of their own choosing" to accept or refuse an offer of employment, *if made;* but neither the one nor the thousand, nor their chosen representative, can *compel* the making of an offer.

The word "bargain" means *voluntary* agreement, whether individual or collective. No right can accrue to or in a "bargain" until one has first been made. Neither party has any right even to an interview for the purpose of bargaining; though usually granted as a matter of courtesy, when there is no reason to the contrary.

Nor can the one, nor the thousand, nor their collective representative change an offer made and accepted without consent of the maker. They can quit work, of course, and end employment at the end of its term; and signify their wish to receive a new offer, individually or collectively; but they cannot compel one as a matter of "*right.*" In fine, there is no such thing in law or in morals, in the use of plain English language, as a *right* to collective or any other kind of *bargaining,* binding on Judge Gary or anybody else. Nor is there anything "autocratic" in the refusal of any employer to entertain collective proposals for employment, if in his judgment they will not result in stable and mutually satisfactory relations.

Merely as a matter of clarifying public opinion, the law should so declare, that absolute liberty to offer, withhold, terminate, acept, refuse, or quit work, lawful conditions, and wages, belongs to every man; together with liberty to employer and employee to maintain "union," "non-union," "open shop," or *no* relations; either individual, or collective, or both, as mutually agreed, without compulsion exercised or attempted on either side. This declaration would clearly establish the Freedom of Employment that actually now exists, and ought to exist, under the Constitution.

For the evidently beneficial purpose of *Decentralization* — of divorcing, for reasons of public

good as well as constitutional private right, the labor disputes of innocent and guilty — for disentangling utterly the mischievous snarl of factory with factory, railroad with railroad, trade with trade, city with city — for brushing away the great spider's web which Organized Labor has spread over all industry, at whose center Mr. Gompers awaits the tremor that tells of some luckless insect of trade whose wings have carelessly touched his snare — for this reasonable purpose the law should now ordain:

That Organization of Labor, for the purpose of collective negotiation, performance, and termination of contracts of employment, shall be *voluntary,* as to the parties to each contract; and *limited to the employees of one and the same employer.*

That *no* organization, or "union" of the employees of any one employer, shall combine with *any other similar union or unions* for the purpose of compelling collective bargaining, or for collectively quitting work under or ending contracts of employment; or for the purpose of limiting in any way the constitutional liberty of any employer or employee; or for the purpose of "striking" an entire industry, public service or utility, for any cause whatever; also, that no employer shall combine with any other employer or employers for the purpose of collectively bargaining for, offering, controlling, and terminating contracts of employment, or for preventing free competition in the labor market, or for limiting in any way the constitutional liberty of any employer or employee, especially by means of "locking out" or "black listing" employees, collectively or otherwise:

Provided, that regional groups of employers in the same line of industry may by mutual agreement, collectively bargain and act with groups of unions, separately organized as above among the employees of each of said employers, as to all matters of employment: but no such collective bargaining or action shall be used to coerce or to limit the constitutional liberty of any employer or employee not party thereto: and also

Provided, that collective bargaining shall carry with it collective or joint responsibility for the performance of bargains, not only of each collectivity party to the bargain, but of each and every individual or corporation lawfully bound by the act of any representative of his own choosing.

That employees in government or public utility service shall enlist therein for stated periods; and shall not quit work individually or collectively before the expiration of their respective enlistment periods, without consent of their employers previously and freely obtained:

Provided, that means shall be set up for fair adjustment from time to time of wages and conditions.

I make no suggestion whatever to limit legislation for preserving health, preventing accident, compensation of women, vocational training, etc. Every right-minded employer is in accord with true humanitarianism. The main intent of my suggestions is *Decentralization.*

But I am just now made aware of the growing need for one more assertion of law. This book must, I find, be sold by circularization and mail order, instead of through the usual book-trade channels, because none of several large publishers consulted will take it, though all admit its interest and timeliness. Two of them frankly say they do not court trouble with the printers' unions by putting their imprint on such a work. The others may feel the same way, or may merely doubt its selling value. But, gentlemen of the press, *there should be no element of terrorism* in their considerations. A hundred thousand, or so, of union printers cannot dictate what a hundred million free Americans may or may not read. *The law should forbid strikes against the freedom of the press;* especially in the interest of the printers themselves, who get their daily bread by virtue of that freedom.

CHAPTER XXXII

ADMINISTRATIVE REMEDIES

THE clumsy and partial hand of government should, as far as humanly possible, be kept away from the shrinking and sensitive throat of industry; especially from its human element, labor, which in a democracy so largely constitutes also the body politic. It is perfectly clear that in our American form of representative government, under our Constitution, we originally contemplated neither a Socialist nor a Soviet state, nor wished to determine for each man his exact place in the life of the community, his definite work, and his fixed share in the common product. We had not then, and have not now, the remotest idea of making ourselves, every one of us, the serfs of bureaucratic administration; whether it be of Woodrow Wilson or Samuel Gompers, or any other man or set of men.

On the contrary our fathers proclaimed the widest constitutional liberty of the individual and told government to keep hands off, except in so far as necessary to protect our liberties against aggression from the outside or from each other.

It follows, then, so long as our theory of government remains unchanged, that no interference of government with industry should be asked or tolerated, except to enforce the law, to keep the peace, and to protect our personal and property rights.

This involves a clarifying of public opinion on the tender subject of *picketing;* or prevention of free

operation of the law of supply and demand in employment of labor.

To present the subject concretely I quote from today's paper (*Boston Herald*, April 20) the following: "Pistol Ball hits Striking Docker. One man was shot, two were arrested charged with assault, and a third arrested for assault and battery yesterday, following an altercation on Long Wharf, when a brick alleged to have been thrown by a striking longshoreman into a truck-load of strike breakers drew fire from one or more revolvers. All three arrested are strikers. The person who fired the shots managed to escape detection by intermingling with the 75 or more of their fellow men on the truck."

On this particular occasion the pickets seem to have got the worst of it. Since the recent Boston police strike has changed substantially the entire police force the new men seem to be disposed to end rioting. The Long Wharf dockers had struck and quit work many days before the shooting just described. They did not quit the premises, however, but hung around the wharf to prevent the movement of goods by men hired to take their places —so-called "strike breakers." At once appeared the usual characteristic of most strikes, viz., that the strikers have not the least intention of throwing up their jobs and are not really dissatisfied with them. If they were, they would simply look out for places they like better, and quit as fast as found, one by one. (In fact this is constantly done; so much so, that voluntary shifting of men from job to job— known as "labor-turnover"—has averaged, I am credibly informed, in large industries one hundred per cent of the total force employed during recent years, and has become a very serious burden to em-

ployers.) What the strikers really intend is not only to stop work themselves; but to see to it that nobody else works in their places, until their employer is compelled to ask them back upon their own terms. In short, *coercion!*

Of course the employer is lawfully free to offer to others the work and wages the strikers have quit; and those others are lawfully free to accept. Experience has shown that in the majority of cases there are men enough ready to accept the work and wages refused by those who quit to carry on the various jobs and "break the strike," unless prevented —peaceably or otherwise.

That is where the "picket line" comes in: to *prevent* newcomers, who are willing and even glad to take the vacant jobs, from doing so by "peaceful persuasion," or *otherwise.* The American constitutional right of assembly is held by Labor to mean that strikers may block the public streets; the constitutional "right of free speech" means inflammatory talk against the employer, and the use of the odious epithet "scab" against the non-union worker, even against his wife and children. What, then, should a clarified public opinion require of governmental administration, as reasonable enforcement of law, beside keeping of the peace and protection of personal and property rights?

The answer seems to me plain and clear. Strikers have undisputed right to quit their work; but if they do, they have no right upon the premises, and the employer has undisputed right to eject them. They then, in common with all the public, have undisputed right of thoroughfare, of peaceful passage, along the public streets. They have, however, no right to *block* them, or to interfere in any way with their free use for lawful movement of men or materials;

especially have they no right to commit or incite breach of the peace. Mr. Gompers can juggle phrases, such as the "right of picketing with peaceful persuasion," etc.; but as a matter of fact, plain speaking, and common sense, every one knows that the *purpose* of picketing, whether "peaceful" or not, is nothing else than *prevention* of the free flow of labor and material essential to the lawful business of the employer, and to the self-support of the non-union laborer, thus violating the constitutional rights and liberties of both. When, in addition to such unmistakable intent to violate private right, the strikers deliberately risk if not invite breach of the public peace,—in spite of countless monitory experiences,—it becomes to me an unavoidable conclusion that public welfare and private justice alike demand that the authorities shall stop "picketing" altogether.

This conclusion is confirmed, and the wrongful intent of Organized Labor is verified, by its bitter opposition to the granting by the courts of writs of injunction, whether—as very rarely—they restrain the unions from picketing, or, as they usually do, merely from violence and intimidation on the picket line. If the unions *intend* no breach of law, or of the peace, why should they object to the injunction of the court to obey the law and keep the peace? If they rely merely on their own peaceful refusal to work, why do they not simply stay from the job altogether, until the employer begs them to come back?

You, gentlemen of the press, who are accustomed to sizing up men and motives, well know that while it is morally and legally right for a man to refuse work and quit, if dissatisfied; it is also morally and legally wrong for him to stand in the way of another

man, who is willing to take what he refuses; wrong both to that other man and to the employer.

It is probably true, and long experience has shown that picketing is practically essential; and without it strikers seldom win. And it is also true that picketing generally results in violence. The famous detective, old Allan Pinkerton, testified in the "Mollie McGuire" riot trials forty years ago in Pennsylvania, that "Organized Labor is organized violence," and the New York papers a few years back quoted Mr. Gompers as saying, "A strike without violence is a joke." Whether he ever said this I do not know; but it is certainly true of all big strikes. Yet the fact that strikers cannot win without violent or wrongful means of coercion does not justify those means. On the contrary, *a fortiori,* as the law denounces and forbids them, so administration should enforce the law.

CHAPTER XXXIII

EMPLOYERS' REMEDIES

MUCH has been said of late to the effect that the employer is to blame for labor troubles; that the scale of modern industry is too great for the human, personal touch, between master and man, that creates affection, and confidence between them. A soulless organization is said to have intervened; a machine, in which the workman is a mere unheeded cog, without recognition as a human being. This accusation is true to the extent that the employer, as the abler, broader man, with strength to bear his fellow men's burdens, may reasonably be asked to look farther ahead for his workers, as an essential factor in his industry, than they can be expected to look for themselves. And it is a fact that large employers almost without exception are today keenly alive to the human, personal element in labor relations, and are endeavoring as never before to appeal to the mind and heart of the individual worker, as well as to his pocket.

I am glad to believe that this new interest in human relations is largely a matter of kind heart and good conscience with most captains of industry; but better and sounder still, that it is at the same time one of constructive, good business management. Every man who like myself has been a considerable employer, and knows workingmen, will agree with me, I think, that there can be no sound permanent and cordial relations between the two that are not based on mutual interest. Pretense of unselfishness

is distrusted, patronage is odious; yet it is emphatically true that if a manager sincerely sees to it that his men get the most and best that their jobs can fairly yield them in comparison with other jobs, the men reciprocate by making those jobs yield more and better yet to him and to themselves.

As I have said before, men usually work for other men because they cannot, no matter why, work for themselves. Here are then the plainly evident interests of all wageworkers, — absolute necessities, as I see them:

First, Employment. The man must have a job, furnished by some one else. It must be steady, for his time is all he has to sell, and every day he idles is so much pay lost forever. He should be the last man to interrupt his own job, nor should it be subject to interruption by quarrels of other men with other jobs in which he is not concerned.

Second, Freedom to Change. If his job fails, does not pay, or does not suit, it is vital to him to be free to take any other job; not shut in or out by union walls. It is best for him, and for the community, that labor should be like capital, *liquid;* free to flow where most needed, in ample supply everywhere, stagnant nowhere.

Third, Going Wages, Regularly Paid. Everybody wants "top wages," but only that employer can pay them who gets from his men *top production;* for product is all that pays wages. A man's wages are not so much the amount of his pay check, as the food, clothing, etc., that check will buy. It is no use for any body of men to try to get *much* more than "going wages," because they represent the natural economic division of what there is to go around; which last is substantially used up, every year. Men cannot and do not by striking get more out of their jobs than

they themselves put into them. *The surplus is not there!* Up to the point of healthy fatigue, the worker should regularly do his best to increase output, and decrease unit cost to his employer, because that alone can increase his own pay check without robbing some one else.

Fourth, a Prosperous Employer. The man wants regular work, week in and out, and sure pay. That means always a strong and prosperous employer, independent of the labor and financial troubles of other concerns.

Are not these four things that labor wants exactly what the employer wants, — regular and steady operation; free labor supply; top output with resulting low cost; high wages, and a prosperous business? Is there not here true identity of interest of Capital, Labor, and the Community?

The employer can help toward this identity and is now very frequently helping by systematic propaganda, educating his employees in the law of wages and *away* from the gospel of hatred and antagonism taught by Mr. Gompers and his organization. A long step in such education is the "shop committee" movement, which Labor now so vigorously opposes; it consists in the election by the work people in each establishment of representative committee men from their own number, who are taken into frequent and friendly consultation by the shop management, upon purely shop questions, touching work, wages, and conditions of employment; and who are given opportunity to judge for themselves of the reasonableness of the treatment accorded those they represent. The essential value of the scheme is that it tends to create intimate relations and confidence between men and management in *each* establishment, and to cut each loose from the troubles of neighboring concerns.

Both results are of course dead against the plans of the Labor Octopus; whose tentacles have so far been wrapped around *all* industry — to let none escape. Mr. Gompers will spare no effort, as I have already shown from his own utterances, to keep employers and their own employees from direct dealings with each other; but you, gentlemen of the press, will not mistake his motive; nor will you, I think, say with him, that "not only the welfare of the workers but the best economy for the nation demands . . . that the workers be united into organizations covering *whole industries*, as is now the case with the one hundred and twenty national and international trade-unions." If the experience of the last forty years and of the last forty weeks, superlatively that of the last forty days, proves anything regarding the welfare of the workers and the best economy of the nation, it is that national and international strike machines benefit *nobody in this wide world* except the demagogues who organize and run them.

Beside favoring the "human touch," the Shop Committee, etc., many large employers have started profit sharing, or bonus declarations out of profits. Others give to foremen and men entrusted with heavy work and responsibility, a percentage upon results. The Steel Corporation enables its men to buy shares in the company, guaranteeing them against loss; which in my opinion is the best way to insure cordial relations between capital and labor. *Merge them;* then both see both sides!

But as most laborers do not save, nor buy shares, nor care much for profits or bonuses not payable until the end of the year — maybe not then if not earned — and yet for the good of all concerned should be tied solidly and loyally to their jobs; I suggest that small employers, who cannot do as the great corpora-

tions are doing, should make term contracts with employees *individually*, signed and secured by forfeit, to put their minds at rest, once and for all; contracts to provide as follows:

Employee not to quit or be discharged (except for breach of contract) or be laid off on less than three months' notice.

Employee to join with fellow employees, who sign like contracts, in forming their own union (in no way tied to any other union), which shall choose from its own membership a Representative Committee.

Employer from time to time to prepare and announce reasonable maximum scales and conditions of output and wages; on the principle of hearty coöperation of all parties for maximum efficiency, consistent with healthy fatigue. Employees falling short of reasonable maximum output as per scale adopted, to draw pay reduced in proportion to actual output.

Representative Committee to have fullest facilities for investigation of scales proposed by employer; and thereupon to accept, or arrange to modify or reject the same on behalf of their principals; the members of the union to be bound accordingly.

Employer and employee on each pay day to contribute each say 2½ per cent — in all 5 per cent — of the amount due the employee that day, and deposit this 5 per cent in a responsible bank, to accumulate at interest as a forfeit to secure performance of the employment contract. The accumulation to be divided between employer and employee, if he quits or is discharged on three months' notice, or by mutual consent; or to be forfeited entirely by or to him, if he quits or is discharged without three months' notice, at any time during the first fifteen years of his employment. After fifteen years he may retire and withdraw the whole accumulation, or take a pension representing it, on giving three months' notice.

No employee to be forced to join union or sign contract; any who so elect may remain without contract as ordi-

nary laborers by the day. Any contract laborer may quit without notice by losing his forfeit.

In case of deadlock between employer and Representative Committee, because of non-acceptance of proposed scales — the men must give three months' notice before quitting, or lose their forfeits — and the employer must do the same before shutting down, or employing new men, or lose his forfeit.

Some years ago a Western actuary figured for me that after fifteen years the laborer could draw down an accumulation that would buy him a little home — and after twenty-five years could retire on half pay pension, should he work on this plan; and meantime his committee would see to it that he is not overworked and gets full wages for what he produces. This would be far better than he could hope to get by joining any trades-union.

As for the employer, he would get the benefit of stability of labor, maximum efficiency and resulting minimum cost of production. He could of course always add the desirable feature of assisting thrifty employees to save and invest in the business.

Extraordinarily strong and rich employers can and do, more and more, tie their employees to them with golden bands, that Mr. Gompers cannot break. The plans of Henry Ford and the Steel Corporation, for instance (see Chapter on Profit Sharing) are beyond all praise, based on good sound business principles.

The great mass of employers, however, are not big enough or rich enough to follow suit. Each must work out for himself, according to his local conditions, his own labor problems. Decentralization; protection of individual right; freedom of the law of supply and demand; and growing education, must bring coöperation of his workmen and himself.

Strike Insurance may help him against the Federation, if it becomes necessary to meet the latter that way; and stronger appeal to human nature and self-interest may be made, such as referred to in an earlier chapter, by Profit Sharing, or by Time Contracts, more attractive than anything the trades-unions can offer. Certainly, *having the job to give*, as the unions have *not*, the employer is in position to make things much more interesting for the laborer than Mr. Gompers can. Nothing but lack of perception and business sense can prevent the prosperous employer from doing so, if he chooses. But first, as I have said before, he must *be* prosperous, a Profiteer, as we call him nowadays.

CHAPTER XXXIV

REMEDIES WITHIN THE TRADES-UNIONS

As I have shown already, Organized Labor is a great big business; a very live and powerful "going concern," with an enormous income, netting forty to fifty million dollars a year, most of which goes in salaries and expense allowances to the professionals who run its vast and complex machinery. It precisely resembles the great political parties, in that its organization and management afford an interesting, conspicuous, and profitable means of getting an excellent living without hard manual labor.

It is, therefore, a plain and simple matter of business with the leaders of Organized Labor to create and maintain "Social Unrest," "Industrial Warfare," "Struggle of the Oppressed against the Oppressor," etc., by whatever sounding modern title one prefers to call old-fashioned cupidity—the wish of those who have not to despoil those who have. It *pays* those leaders richly, though it costs their following collectively many times as dear, to fan into flame the natural rancor that smoulders in the human breast, against abler, shrewder, perhaps more selfish, and certainly more successful, men, than ourselves, who accumulate while we waste. *Until this great business*, this great machinery for financing mischief-making, *shall cease to pay* its creators, "Social Unrest" is sure to persist, and to increase.

Of course these creators of the Bolsheviki, the I. W. W., the Socialists, the Federation and the

Brotherhoods, and their friends the politicians, can and will be fought by the rest of us *from without* their organizations; but as to Labor, it would be a happier and nobler thing to bring about a change of heart also *within* the rank and file of the Organized Laborers themselves, the great majority of whom are well known by all of us to be fundamentally honest and patriotic Americans. For more than half a century they, and millions of unorganized men and women, have been taught by demagogues that capitalism is robbery; and they are half inclined to join in the Bolshevist cry, "Steal from those who stole." Their "class consciousness" has been artfully stimulated; the hateful name "scab" has skillfully been stuck by union orators on every man who refuses to pay union dues and take union orders. They have been "fed up" with the union poison of discontent and sloth, with the utterly dishonest and disloyal union doctrine which may be stated thus: "Take your employer's pay; but take your union's orders."

It should be possible by coöperation of employers, of the public, and most important of all, of you gentlemen of the press, to prove to all labor — especially the union men, whose very association together favors dissemination and discussion of the facts — the following truths:

1st. That existing trades-unionism *does not pay;* but on the contrary is enormously costly to all except its leaders.

2nd. That combination to violate the rights of the employer and the non-union man freely to pursue their lawful business is morally wrong, legally criminal, and economically wasteful and stupid.

3rd. That there is no conflict between Social Justice and Capitalism; but on the contrary the nearest ap-

proach to Social Justice consists in free operation of the law of supply and demand — which produces Capital, the only demonstrated foundation for prosperity of Labor.

4th. That the only true and impartial measure of the wages of labor is and always has been found in the competition of employers — the "going wages," and conditions which they can see their way to offer in the open market, consistent with profit in their various lines of trade. Employers alone can judge (each for himself, according to his peculiar circumstances) what they can offer; and employees alone (each for himself, according to his individual case) can decide what to accept or refuse.

5th. That the greatest industry and largest output, consistent with health and reasonable recreation, is best for the prosperity not only of the employer, but of the individual workman, the whole industry, and the state: and should be a matter of individual and *union* pride and duty.

6th. That union leadership can be made greatly useful instead of useless to Labor itself; profitable instead of hurtful to industry and the state; and yet far more honorable and remunerative as a personal life career for ambitious men than it now is — by swinging the great mass and power of Organized Labor into *coöperation with Capital* for highest efficiency, and highest wages; instead of fighting always for sloth and inevitable poverty.

7th. That a great field of usefulness and power lies open to Organized Labor in Mutual Life and Unemployment Insurance, Coöperative Buying, and Employment Service: and also in the function of collecting accurate information as to wages and trade conditions, in all industries; to be put at the service of shop committees in coöperation with employers; for determining standards and methods of efficiency, healthful working hours and conditions, and in general putting the shop committees in a position of informed authority in all negotiations of employment.

8th. That in America no such thing as permanent "class" can or ought to exist. That class consciousness and class hatred and antagonism are odious doctrines of Karl Marx, "made in Germany," which have no rightful root in free American soil. That *our* gospel is Roosevelt's "Equality of Opportunity"; with reward proportionate to and limited only by service rendered. That every man is free to move upward to the highest level in life and achievement to which his powers and services can attain; and *there* will be his "*class,*" if he prefers that word, so long as he can stay there, and no longer.

It is an interesting and hopeful sign of evolution upwards among the unions to note their progress along the lines of coöperative activity. The garment workers are in annual convention in Boston this week (May 10–15) and are discussing a consolidation of all textile and garment workers in order to centralize control of the whole industry from start to finish; a project decidedly against the interest of the workers and the community also, from my point of view. Mr. Sidney Hillmann, the president of the garment workers, seems to be, like Gompers, a strong autocratic Hebrew, quite willing to run his corner of the universe. In one respect, however, his ambitions seem legitimate and of value, namely, in his suggestions that his followers save their money, organize their own coöperative banks, and later go on, with the means thus mobilized, to finance their own coöperative factories in their own trade. Thus the laborers will become the capitalists as well; if they are lucky in securing good managers.

The project is perfectly honest and useful, though difficult. In England and elsewhere coöperation has now and then developed among the coöperators first-class organizing financial and commercial abil-

ity, which has evolved great results: and the leaders in this work have proved themselves *unselfish*. The Rochdale Coöperative Stores, for instance, do huge and profitable business; yet the able men who manage them are content with honor, and influence, and *small* salaries. It may be some time that State Socialism can likewise find men of first ability and unselfishness, who will run everything wisely and well, and yet never help themselves to profit as well as power and honor. Before jumping at conclusions, however, we can well await wider experience. At present *most* trade is non-coöperative, done for profit of the man who does it — not for that of his customers. So long as coöperation thus meets only competition of profit-loaded goods, it has a natural advantage that requires only ordinary good management to prosper. On the other hand, whenever most of the trade is done on the coöperative plan, *if that time ever arrives*, then a real competition between the coöperatives themselves will set in, demanding decisive superiority in management, and resulting in survival of the fittest. They will also compete among themselves for the good managers at rising salaries: and the era of altruism in managerial positions will pass away.

The chances are, however, that the present non-coöperative, competitive system will *endure generally*, hereafter as heretofore. *It puts less strain on human nature!* Meantime, I see by the morning paper that the Boston building trades-unions are talking of coöperative building of workingmen's homes to relieve rent profiteering. Building trade is dull, and work scarce; and the chance for an interesting experiment is fine. Let us hope the men will go to it vigorously, and *succeed*.

To originate and create some such change of

union heart and union purpose as the above — founded on the virile proposition that every man ought to pull his own weight in this world's boat; ought to get full pay *and give full value in return* — might easily make Mr. Gompers, for instance, if not too old a dog to learn new tricks, a moral figure of commanding stature; and an industrial and political power — though not so *supreme* as he may have dreamed a year or two ago — far greater than he is likely to become today. *For this nation is unmistakably tired of strikes and strike machines;* and is asking itself whether Judge Gary is really the autocrat — or another masterful man, whose name begins with G.

If I were now an active employer instead of a mere "has been," I should at once start propaganda among my men, openly and aboveboard; calling them perhaps to shop-meetings, during paid working-hours, often enough to set forth *myself*, and through the mouth of abler speakers, the foregoing truths; and should follow up such talks by distribution of short and simple printed studies of the different elements of the labor situation, one at a time, with such proofs as lie within the daily observation of the men themselves. Then I would trust to their honesty and common sense to act in due time upon their resulting convictions. I have abiding confidence in the American working man, even though he "comes from Missouri, and wants to be shown."

Judging from my own experience, the working men would gladly meet in this way the *heads* of their own industries in order to size them and their good faith up for themselves — a thing which, in the larger concerns at least, is otherwise for the most part impracticable.

CHAPTER XXXV

VALEDICTORY. LEAST GOVERNMENT. LEAST BUREAUCRACY. LEAST TAXATION

ONE final word and I am done, gentlemen of the press, relating to the fundamental basis of efficient democracy and political honesty; I mean the Jeffersonian doctrine of minimum activity of the state. It was substantially as follows: "That government governs best, which governs least," and it seems to me one of the most profoundly statesmanlike of all his utterances. Of course it is absolutely foreign to the modern disease or mode of thought which I have, not too contemptuously I hope, referred to as "collectivitis"; the feeling that society is so far morally and politically responsible for the development of the individual that the latter is entirely relieved from the old-fashioned duty of carrying his own weight and taking care of himself. It is a curious mixture of guilty conscience toward the sweat-shop worker, and envy or jealousy of Rockefeller, that drives our collectivists blindly into government ownership and operation, regulation and confiscation of all sorts; right in the face of the world-wide, age-long knowledge that bureaucracy and graft are inseparable from government, and always have been in all history — that the only way to minimize them is to minimize government. Equally well does the world know from history, not only of government but of trade, of all large organization, that overgrowth means disintegration, inefficiency; that government in business *is* overgrowth, every-

where and always wasteful, unserviceable—nowhere more conspicuously than here at home in America. The colossal failure of the present administration within the last two years, in a dozen different stabs at going into business, for which the taxpayers must sweat in years to come, would suffice, one would think, to convince the guiltiest of our consciences that we should get government out of business and bureaucracy, and keep it out; to make the hastiest of us reflect that state regulation even, without ownership and operation, means countless bureaucracies like the Interstate Commerce, the Federal Trade, and the Shipping Commissions. The first of these has bankrupted and crippled the most efficient railroads in the world; the second is doing its best to wreck the packers and the coal miners, who have dared to sell at prices fixed by world demand, in the same way; and the third is doing its best to stop the enormous loss it has already inflicted on the country where it is,—which is to its credit. All three of them have supplied, and will long continue to supply, first-class jobs for a host of bureaucrats, large and small. Useless bureaucracy, useless taxation, are the deadliest poisons, not so slow as sure, that demagogy can administer to democracy. You and I, gentlemen, may never have the luck to draw our share of the useless salaries; but we are dead sure, each of us, in his small way, to pay our share of the useless taxes.

What we have to pay now, however, is nothing to what we would have to pay, which heaven forbid, if in the elections this year or later we substitute Gompers for government, as he asks us all to do. For the first hundred years of our history we got along without Gompers, and with the minimum government planned by our fathers. We can look back

with pride on the most unexampled growth in universal prosperity known to history. From all the nations of the earth poor men came in to share our freedom and happiness. Taxation and bureaucracy were almost nominal; social unrest was almost unknown. There was then no great labor leader of millions of followers, and spender of millions of dollars income; to *manufacture* discontent, and tell his once industrious and useful workers that the secret of success in a democracy is to quit working and go to voting; to *vote away* the fruit of others' toil and thrift. For the last forty years we have had such leadership; and ten per cent of our workers have followed him down into the slough of sloth and inefficiency, producing less and growing poorer and sulkier every day. The remaining ninety per cent of American workers are still free and prosperous, better off than ever before anywhere. Are we going to let Mr. Gompers ruin them too, gentlemen of the press?

They are the men who are most endangered, and with them our whole enormous efficiency and power to help ourselves and the world. Will you not study, gentlemen, and make up your own minds as to the truth of my contentions; and if you sustain them, print their substance broadcast, as need arises, so that he who runs may read? It does not matter what our collectivists and theorists think or say, provided the men who work and the men who hire *get directly at each other;* the one with hearty good will to do a good full day's work of the best quality that is in him, without fear of being called down by his union for so doing — and the other sure of getting a good workman and a good output in return for good pay, without the threat of a strike hanging over every engagement he is called upon to make.

I can assure you, from personal experience and correspondence with more than two thousand employers, that the foregoing last sentence contains, with the keeping of the peace on the public streets by local authority, the *whole sedative* that is needed to put social unrest into normal slumber. I am well aware, however, that, as Cleveland put it, "we are confronted by a condition" which must be changed before the simple and healthful relation described above can be generally restored. There must be a change of heart; labor must break away from Gompers. His great high-proof labor intoxicant for making money out of making mischief must be *denatured.* We need a Volstead Act applicable to Organized Labor to limit the percentage of poison in its brew. Labor leadership must no longer attack the public welfare! The Law must step in; not, however, to perform, but to forbid; to decentralize —to say thus far, no farther, mayst thou go!

It is time to bring this long screed to an end. I hope it has not bored you too much, gentlemen; and I am too sure of your intelligence and patriotism not to feel pretty sure of your verdict should your patience review the following, among many official utterances of Labor consistently supporting my statements in these pages, viz.:

Mr. Gompers' demand of Congress in the *American Federationist* of May 23, 1920, namely:

> Immediate "adjustment" of wages to living cost.
> Immediate effective action to prevent increased cost of living.
> An end to, and repeal of, all restricting or controlling legislation relating to Labor; past or future.
> To take control of credit capital from private financiers.
> For publicity of income tax returns.

VALEDICTORY

Mr. Gompers' replies to questionnaire of the Republican National Committee, demanding:

Acceptance of the eight-hour day and six-day week, Saturday half holiday included.
Recognition of right to organize.
Exemption of labor from antitrust laws.
Recognition of right to choose "outside" representatives.
Recognition of right to strike even against public welfare.
Abandonment of injunction in Labor disputes.
Free Federal employment agencies controlled by labor.
Wages big enough to render old-age pensions unnecessary.
Repeal of Kansas Industrial Court Law.
Recognition of the secondary strike; and of the boycott when there is "left to labor no other course."

Resolutions of the A. F. L. in session at Montreal; said to include:

Government ownership of railroads.
Repeal of Cummins-Esch transportation law.
No antistrike legislation.
Election of Federal judges.
Referendum to override decision of Supreme Courts that laws passed are unconstitutional.
No injunction in strikes.
Right of teachers in public schools to organize.
Progressive income and inheritance taxes.
Federal licensing of all corporations.

Demands of Organized Labor, presented by Mr. Gompers in person to the Platform Committee of the Republican National Convention at Chicago, June 9, 1920. The substance of most of them appears above, but they include also the following:

At no time shall immigration be permitted when there exists an appreciable degree of unemployment.
Immediate relief from high cost of living burdens.

Monthly statements by the Department of Labor of costs of manufacture or production of leading staples.
Prompt Federal investigation of profits and prices; and publicity of income and tax returns.
Enforcement and extension of eight-hour law in all civil departments of government.
Exclusion of convict labor products from interstate commerce.
Repeal of labor provisions of the Cummins-Esch Transportation Act of Congress.
Action to prevent Federal legislation from being held unconstitutional, by the courts.

Mr. Gompers' own carefully prepared, ten-day considered, written reply to Governor Allen's Question during the Carnegie Hall joint debate (which he said at the moment he would *like* to answer "if he had time"). The question was, "When a dispute between labor and capital brings on a strike, threatening public peace or impairing public health, has the public any rights in such a controversy, or is it a private war between labor and capital — and how would you protect the rights of the public?" Mr. Gompers answers as follows:

> "So far as Labor is concerned, the right to strike will be maintained not only as a measure of self-defense and self-advancement, but as a measure necessary to public progress."

Later he says:

> "The workers will not sacrifice human progress for an abstraction which is called public welfare."

Consider well the foregoing, gentlemen; and in contrast therewith consider "Twelve principles for the government of American Industrial Relations" just submitted (June 9) by a Committee on the sub-

ject, to a referendum of the 1300 associations composing the Chamber of Commerce of the United States. They may be briefed as follows:

1. Any man may engage in any lawful occupation, and individually or collectively enter into any lawful contract, limited only by valid public authority.
2. The "open shop" is an essential of the right of individual contract.
3. Any man may voluntarily associate with others for any lawful purpose by lawful means; but association confers no authority over, and denies no right of, those who do not voluntarily choose to act or deal with the association.
4. Public welfare and private protection require that combination or association of employers or employees must be subject to control of the state; and be legally responsible.
5. Adequate and economical output is a common social obligation of all engaged in any undertaking. Restriction thereof for the creation of scarcity is an injury to society.
6. Wages come out of product, and should be justly proportionate thereto. But management is therefore bound to coöperate with the laborer to enable him, and furnish inducement to him, to produce; with continuous employment, incentive for improvement, and regard to health and safety.
7. The work day and work week should be carefully determined in each industrial case, for maximum efficiency consistent with welfare of the worker; but reduction of working hours for the sake of leisure, merely, should be made only with due consideration of the larger interests of the community and the nation.
8. Adequate means and satisfactory to both sides should be voluntarily agreed to and established for the adjustment of controversies, between employer and employees.
9. In collective bargaining, etc., either party may ob-

ject to representation of the other by outside or third parties, not directly interested as employer or employee.

10. The success of the particular establishment, or work, with which employer and employee are connected is the basis of reward for and the common interest of both. Coöperation for *that* success is the true basis of relations between them.
11. The state is sovereign. No divided allegiance of its servants can be admitted; nor any combination to prevent normal functioning of government.
12. In public service the public welfare is paramount. State control of public utilities may well extend to control of their employees also, to insure continuity of service.

There is nothing more to add to this terse summary of the "struggle,"—as Gompers would call it, —*not* between Labor and *Capital* but between Labor and an "abstraction which is called public welfare." Here you have a snapshot, or a "movie" if you like, of the labor game, gentlemen of the press! As the last few feet of the film appear upon the screen,—that is, as I write out and analyze Mr. Gompers' ultimata, and contrast them with the 12 points of the United States Chamber of Commerce,—I see clearly enough; and you will see, I think, that my dream of a great and useful change of heart in trades-unionism, as set forth a chapter or two back, *is hopeless without the elimination of Mr. Gompers.* His carefully written, deliberate reply to Governor Allen, that Labor stands for the unlimited right to strike, as a measure of *self*-defense and *self*-advancement (the italics are mine), and his public pledge that labor intends to vote that way also; his cynical ultimatum that "the workers will

not sacrifice human progress for an abstraction that is called public welfare"; these things and his whole record reveal him as a mere bandit—pure and simple; whose predatory following thinks only of self; who styles their success in holding up nine tenths of the community as "human progress"; who contemptuously brushes aside moral responsibility as *abstract;* but who, like all bandits, is a fool as well as a robber.

"Whom the gods would destroy they first drive mad." When Mr. Gompers insolently uses "*mandatory terms*" to a nation of an hundred million people, on the strength of a supposed following of perhaps two million voters, he reveals a much overrated schemer, who has had his head turned, and is riding for a fall. He ought to be repudiated by Labor in its own interest. He will not be, however, apparently; and the Convention of the A. F. L. now in session at Montreal will probably authorize his battle of the unions against the United States, which I forecasted in 1912, and which I repeat can have but one ultimate issue. Mr. Gompers has so far successfully fought the "One Big Union" idea; but there remains another too big for him to tackle, namely, *the* "Union, now and forever, one and inseparable."

Meantime, oh, patient readers, when you seriously sum up all these things; whether from the inspiring viewpoint of virile and useful citizenship, of honest industry and thrift for self-support and the common good, of the skilled workman's love for and pride in his craft, of unselfish respect for other men's right to life, liberty, and pursuit of happiness; from the average man's viewpoint of common sense and decent respect for the experience of mankind; from the statesman's and economist's viewpoint of good gov-

ernment and efficient industry; or, finally, from the comparatively sordid viewpoint of the taxpayer:

When you realize the petty selfishness of Mr. Gompers' ethics, the stupidity of his economics, the criminality of his methods, the failure of his program to benefit a human being other than himself and his kind; and finally, the menace of his politics to free government, and the colossal bureaucracy that his proposals would entail both on labor and the state; you will, I am sure, stand with me solidly against labor autocracy, and for constitutional government.

And, too, I believe that you will stand with me sooner or later for just as little government of any kind as is consistent with the orderly civilized life of a free people.

POSTSCRIPT

REPUBLICAN AND DEMOCRATIC AND AMERICAN FEDERATION OF LABOR CONVENTIONS OF 1920

SINCE the last chapter was written the Republican Party Convention at Chicago, the Democratic Party Convention at San Francisco, and the A. F. L. Convention of 1920 at Montreal have all been held; and it is worth while to note in a postscript their reactions on each other.

The Republican Platform discussed Labor (in brief) as follows:

> Recognized the justice of Collective Bargaining as a means of promoting harmony, etc., between labor and capital.
>
> Denied the right to strike against the government.
>
> Thinks "government initiative" to reduce frequency of strikes and lockouts, and limit their consequences, desirable.
>
> Favors investigatory machinery in public utility labor troubles, to "inform public sentiment" to the end that there may be "no organized interruption of public service"; same not to function so long as service is interrupted.
>
> Discountenances compulsory arbitration in private labor troubles; but favors "better facilities for voluntary arbitration" established by government initiative.
>
> Opposes government ownership.
>
> Excludes convict labor products from interstate commerce.

Evidently the Republican Party would cater to the public rebellion against Labor that swept Coolidge

into nomination for the Vice Presidency; and yet—not too successfully—seem sympathetic to the "aspirations of labor." Of course Mr. Gompers is not at all fooled or content; and comes back at Montreal with various declarations of war on the Republican Party; entirely confirming my prognostications in previous pages. His Convention came pretty near offering its heart and hand to the Democrats; but he managed to hold it in line for non-partisan action, and against a Labor Party. It took action, which will be briefed a page or two further on.

When the Democrats met at San Francisco two weeks after the Montreal Convention of the A. F. L. they passed on the labor planks submitted by Mr. Gompers, who was there, just about as evasively as the Republicans had done. This is what they said (following the order of the Republican discussion, as above briefed):

Labor "has the indefeasible right of organization, of collective bargaining, and of speaking through representatives of their own selection."

Labor "should not at any time . . . put in jeopardy the public welfare."

"With respect to government service—the rights of the people are paramount to the right to strike"; but there is no objection to a raid on the public treasury "to bring salaries to a just and proper level."

"The Democratic Party pledges itself to contrive, if possible, and put into effective operation a fair and comprehensive method of composing" labor differences.

"In private industrial disputes we are opposed to compulsory arbitration, . . . as plausible in theory but a failure in fact."

"There should be . . . a thoroughly effective system of transportation under private ownership without government subsidy at the expense of the taxpayers."

"Labor is not a commodity; it is human. Laws regu-

> lating hours of labor and conditions, . . . when passed in recognition of the conditions under which life must be lived, . . . are just assertions of national interest in the welfare of the people. . . . Justice shall be done to those who work, and in turn those whose labor creates the necessities" of life must "recognize the reciprocal obligation between the workers and the state."

There is a lot more carefully foggy language of the same kind intended to "hit if a deer, and miss if a calf"; but on the whole Mr. Gompers has got nothing very definite out of either of the great Party Platforms, except an expression from both political groups of willingness to raid the public treasury for labor's benefit; and to create a government centralized arbitration and conciliation machinery which will "recognize" Organized Labor as the main party to all labor disputes; without, however, backing the new machinery with any power to enforce its awards on anybody. One more addition to bureaucracy at Washington would, of course, be repugnant to no party politician on either side; there would be some good-sized jobs in it for good party men.

The A. F. L. Convention adjourned before the San Francisco Convention began. Its record was in brief as follows:

JUNE 15.

Backed Boston police strikers and promised to work for their reinstatement.

Backed New York longshore strikers for "closed shop" in the harbor and seacoast transportation employments.

Demanded repeal of the Esch-Cummins Act, restoring railroads, etc.

Voted against recognition of Soviet Russia by the United States.

JUNE 16.

Demanded absolute and immediate curb on profiteering.
Backed Gompers' non-partisan plan. No Labor Party.
Approved Irish Republic.
Would exclude Asiatic labor; though *not* for race, religion, or color.
Authorized campaign to unionize steel and telephone industries.
Condemned "outlaw" railroad strikers as "secessionists."
Declared war on Kansas Industrial Court.

JUNE 17.

Demanded government ownership and "democratic operation" of railroads, in this deserting Gompers; who opposed turning over to government the power to keep railroad men at work. Frey, supporting Gompers, said that there is growing in this country an idea that the "welfare of the state is superior to the right of individuals"—an idea "believed in Germany."
Raised salaries from Gompers down (against his protest) of Labor bureaucracy.
Demanded Government Employment Bureau as part of Department of Labor.
Authorized Executive Council to fight all "speed up" and "efficiency" systems, especially in postal service.
Pledged support to civil service employees in resisting demotion.
Declared right of free speech and assembly to be inalienable, not to be limited by any judge or administration.
Condemned military training as un-American.
Voted moral support to striking fur workers.
Defeated motion to elect Federation officers by popular vote of whole Federation.
Defeated Initiative and Referendum (proposed for future questions) to whole membership of Federation on demand of five per cent of unions.

JUNE 18.

Triumphantly reëlected Mr. Gompers President for the 39th time.

Here is the contrast between Labor and Political Leaders sharply outlined. Labor true to form, definite, defiant, out for centralized industrial and political power; the politicians, also true to form, timid, straddling, waiting for the people to show them the way even more decisively than they have already shown it, — afflicted with that bureaucratic, collectivist tendency to meddle with business, that has clouded our politics for a generation.

There exists today a Labor Trust bigger and richer than most of the Wall Street Trusts, with concentrated wealth and power such as the American people has always jealously guarded against; and a record of destructive achievement entirely foreign to Wall Street, which last we called down years ago. Why do we not call down the Labor Trust now?

Not one word to that effect appears, however, in the Republican Platform, though Governor Coolidge was nominated for Vice President with a spontaneous rush because he *did* call labor down. Dodging the subject will not placate Gompers, nor strengthen the platform.

Let me reiterate once more, to the point of boredom, I fear, that it is not collective bargaining with *their own* employees that employers object to; on the contrary, many favor it. It is the cross-unionizing of *all* workers, not by employments, but by trades and regions, and the development of the gospel of sloth, that employers hate; the integration of many local trades-unions into national and international bodies; and the final federation of the latter into one great labor trust, which, like a huge cancer, roots into every utility and factory in the land, that employers dread; that centralization which Gompers so persistently fights for; that concentration of power, that does the mischief.

It is the vast *concatenation* of organization that supplies millions of possible votes, and millions of dollars wherewith to pay an hundred thousand manufacturers of labor unrest and gatherers-in of yet more and more deluded voters and their good dollars. It is that endless *propagation* of labor infection against which no employer can quarantine entirely that makes the disease endemic. And it is the perfectly useless blunder, though perhaps inevitable so long as the carriers of the germs are uncontrolled, of government meddling with employers and strikers, at haphazard here and there, *that spreads the contagion from industry into politics;* to our eternal political undoing, if we do not mend our ways.

Think of it, gentlemen; a few days ago Mr. Gompers opened his debate with Governor Allen at Carnegie Hall by announcing, with a flourish of trumpets, that the "longshore" strikers in New York Harbor were ready to accept *arbitration of government* in that disastrous dispute. A day or two later the papers contained a telegram from Captain Maher, the longshore labor leader, announcing that the *Attorney General* (Palmer) had decided that the Adamson Law should apply to railroad tugs and car-floats at New York; that *this* would end the strike, and that freedom of commerce would soon prevail at that great port — whereat great rejoicing!

You will recall that the Erie Railroad had sold some of its surplus tugs to a private non-union towing company; which worked its fleet more than the eight-hour day called for by the Adamson Law, but apparently continued to do some towing for the Erie Railroad; and that in consequence a strike was declared in order to discipline this outsider of all the marine workers around New York Harbor, — some

70,000 I think, tying up a large part of the commerce of all the railroads and steamship lines of the greatest port of the United States; which has cost, according to an estimate recently published, a loss of 85 million dollars; and which, called by one particular member of the Gompers concatenation, at one time threatened, so said Mr. Maher, to involve all the Eastern railroads in a general strike.

Think of it once more, gentlemen! It is absurd to the point of grotesqueness, that a single railroad terminating at New York cannot employ a tugman who chooses to work longer than eight hours a day (as both he and the railroad should have unquestioned constitutional right to do) and *itself* alone stand the consequences of any disagreement with its *own men* resulting; but its perfectly lawful action must involve *every* road, *every* shipper in that extraordinary harbor, perfectly unoffending though it or he may be, in helpless paralysis; must cause congestion of railway traffic, shortage of food and milk supply, and interruption of ocean commerce, extending to every port on the Atlantic Coast and abroad —all for the most local and limited of petty disputes! Nothing under heaven is blamable for such vast and unpardonable wrong but the Gompers concatenation, and the bought-and-sold Adamson Law.

Of course, in the face of such a blow at modern life and commercial freedom, under the very eyes of the statue of Miss Liberty, there in New York Harbor, government *had* to interfere, or be held to severe account by the people; but think a little further, gentlemen, of the utter absurdity of the necessity of a pilgrimage to Washington, for such a puny cause, of a host of representatives not only of the labor trust and the railroads, but of suffering shippers, the city, the Chamber of Commerce,—

perhaps they were not all there this time, but they have been in other cases,—taking up the overcrowded time of the Attorney General of the United States with a purely private and insignificant dispute; while meantime the commerce of that great metropolis and the whole seaboard was throttled in a "head-lock" such as Evan Lewis, the Strangler, uses to bend a Zbyszko to the mat! Is not the whole situation too unthinkable? Is free America *never* to be quarantined against the typhus of discontent, the sleeping sickness of sloth? Is the tumor *never* to be cut out? Are the tentacles of the Octopus *never* to be severed? (Choose whichever of these metaphors most appeals to your imagination or wrath, gentlemen; for I would not incautiously mix them.)

Let me sing once more the song of DECENTRALIZATION. It has done labor no good to centralize; but the contrary, for forty years. It has gravely injured commerce, politics, and the silent suffering public. CUT IT OUT! Leave men free to organize or not as they choose, to deal direct with their own employer or strike, as they will. But leave the *rest of us* free to go our busy way. THAT MUST BE JUSTICE, LIBERTY, AND COMMON SENSE. To change Lord Dufferin's remark, quoted elsewhere, a little —we Americans are a practical people. Why don't we *back up* the Declaration of Independence and the Rights of Man; and *govern* these labor trusts?

Gentlemen of the press, study well the results of purely workingman's government in Russia, Australia, and New Zealand. Study the creeping paralysis with which Labor in politics is crippling England at home and abroad today. Then, see to it that here in our beloved America no man shall *successfully* organize CLASS against COUNTRY!

APPENDIX

AN OPEN LETTER

CAMBRIDGE, MASS., Nov. 11, 1918.

MR. SAMUEL GOMPERS,
President American Federation of Labor,
Washington, D. C.

Dear Sir: — When I commenced this letter, a month ago today, you were in historic Rome, the recipient there of the same distinguished honors that had just been paid you in the great capitals of London and Paris — perhaps the greatest ever paid to one calling himself a workingman. There can be no mistaking the reason for these honors to yourself and to American Organized Labor, which you represented. They were due to belief in your *patriotism,* and that of Organized Labor, in giving largest service to your country and the world. At the moment of the supremest opportunity to hold up industry for selfish advantage that is ever likely to present itself, American Organized Labor, under your leadership, detesting with all its free heart German autocracy, militarism, greed, and cruelty, has stood to its tools, to use your own words, in "continuous full-power production," for Liberty and Law and the Welfare of Mankind.

Today the war is won. You are back in your own country telling your constituents with pride of your and their share in the victory. Will you, at this significant moment, permit an inconspicuous, disinterested, retired ex-employer of labor to direct your busy thought, not too far in advance, he hopes, to the continuing and perhaps in the long run equally great opportunity for patriotism that confronts labor, now that the war is over — an opportunity which no man can do more to avail of than yourself — that of establishing for all time, as a dominating working principle, complete and hearty coöpera-

tion between Organized Labor and Capital for that same "continuous full-power production"? Believe me, sir, it is and must always be, in peace as well as in war time, the principle of patriotism, of greatest service to all; to labor itself, before all.

We Americans are busy people; working for our daily bread, and slow to comprehend the evil that moral poison can work in the hearts of men and nations. It is only in the last year or two that Organized Labor, like most of us, came to realize the German menace impending on the world, and to make up its mind, again to use your words, "that Prussian autocracy, militarism, and irresponsible diplomacy must perish." Has it not of late occurred to you, sir, that *all* autocracy, militarism, and irresponsibility, your *own* for instance, ought also to perish, and probably *will*, at the appointed time? Have you ever stopped to think how frankly Prussian are the principles and methods of Organized Labor, as witnessed by its long record; even by your own Annual Report for the current year, side by side with its burning denunciation of the Hun?

Let me, without rancor, set down in plain words the parallel, so that he who runs may read.

Autocracy. "Labor Omnia Vincit," are the first words printed on the outside cover of the Annual Report of the A. F. L. — apparently its "slogan." You stand first of all for the autocracy of the Union, for its domination of the union man, its monopoly of the right to work; for the "closed shop." You say to the free workingman, join the Union; to the employer, "recognize" the Union. To both, that if they obey, the Union will protect them; if not, no mere rights asserted by Courts will be respected. The non-union man and employer have *no* rights, *no* liberties. *Organized Labor omnia vincit.*

Just so, Germany's creed was DEUTSCHLAND UEBER ALLES; the domination of the German State, world domination, tyranny — no self-determination of weaker peoples. She said to the Alsatian, the Pole, and the Belgian, forget your race and liberty; be good Germans, and Germany will govern you better than you can govern yourselves. Otherwise, take the consequences.

Propaganda. Your Constitution opens with the following

words: "Whereas, a struggle is going on in all the nations of the civilized world between the oppressors and the oppressed of all countries; a struggle between the capitalist and the laborer, which will work disastrous results to the toiling millions, if not combined for mutual protection," etc. That is to say, if I save my money, build a factory or railroad, and offer you a job of work, I am an *oppressor*. If after shopping around among other jobs you like mine the best, you are *oppressed*. The process of shopping around is a *struggle*, which will result in the *disaster* of employment and earning your living, unless you join a union to prevent.

Now, nobody knows better than the astute President of the American Federation of Labor that, as a matter of fact, the more and bigger employers there are to offer a laboring man his choice of jobs, the better for the man. Indeed, the more the oppressors, the merrier the oppressed, and the greater the disaster, or wages. In Darkest Africa, where there are no capitalists, factories, or railroads — in short, no oppressors; in India and China, where they are few, wages do not exist or are pitifully small, poverty is beyond belief, and famine and pestilence constantly impend. Standards of living are so low that your Federation vigorously fights the "yellow peril" of Oriental immigration to prevent their introduction here.

Of course, this lurid rhetoric of "oppressor" and "oppressed" is mere *camouflage;* union propaganda for the unthinking; intended to stir up *class*-consciousness, to create a spirit of *class*-hostility; here in this free country where we have no "classes," or rather where we boast that any man can rise to any class his powers permit.

Just so the Kaiser and the Krupps for fifty years *faked* a bogey of invasion from France, from Russia, even from unpreparing England; *faked* a menace to the very life of the German state; chanted the Hymn of Hate to arm the German people against the world; preached the gospel of attack as the best defense; all, as we have learned to our sorrow, for the benefit of the fakers only.

Militarism. For its deliberately provoked "industrial warfare" your Federation has built up a highly centralized and powerful striking machine (see Report), skillfully dis-

posed to work at the desired moment a strangle-hold on industry, local, state, or national as the exigency requires; for the coercion of capital, pure and simple, yet always as a measure of *defense*, against "oppression."

Even so, Germany built up for "defense" the most colossally aggressive military establishment of all time, basing on it the Mittel-Europa and Pan-German imperial designs.

Predatory Purpose. Your intent is frankly predatory: to take from capital by force of organization more pay for the same or less work than is obtainable under ordinary conditions of free supply and demand in the labor market. One hundred and ninety-nine Unions proudly claim in your Report to have accomplished this. Your method is to introduce organizers among a force of workmen, "secretly — of course" (see Report, page 87), accomplish organization, call a strike if necessary, throw around a picket line, "peacefully persuade" applicants for work to stay away, call them "scab" or perhaps slug them if they will not obey; sometimes a "wrecking crew" spoils work or dynamites a plant.

So Germany, with frankly predatory intent to take by force from France, Belgium, Russia, Serbia, especially from "robber" England, territory, indemnities, mines, colonies, a "place in the sun," as Bismarck said, "not by speeches and treaties, but by blood and iron," set to work its spy-system and propaganda all over the world, created its *casus belli*, mobilized its huge armies, drew its U-boat lines around the open seas, "peacefully persuaded neutral nations not to cross those lines, sunk their ships if they did, violated law and treaties, stopped at no outrage to coerce and loot the world.

I am well aware that Germany pleaded "military necessity" for violating Belgium; and that Organized Labor pleads similar *necessity* of the picket line — that is, the actual physical presence of an organized force to *prevent* by words or maybe blows the free and natural action of supply and demand in determining the flow and fixing the wage of labor — in order to win most strikes, and force wages above their natural commercial level. Like von Hertling you say, "It is regrettable, but this is industrial *war;* and all is fair in war." Your constant effort to modify the law, so as to legalize the picket line; your open political hostility to judge

after judge who has ruled against it, establishes your Organized Labor's willful breach of law better than any word of mine can. A generation ago Allan Pinkerton testified in the Mollie Maguire trials that "Organized Labor is organized violence," and you yourself were credited by a New York paper a few years ago with the remark "A strike without violence is a joke." Of course, you deny acts of violence; but you put up the cash, as in the Los Angeles *Times* dynamiting case, to defend union men caught and indicted for such acts.

Doubtless such methods *are* necessary to win; but do you think that the great free, fair-minded, non-unionized 90 per cent of the American people, when they put their mind on the subject, will stand for Prussianism at home any more than in Belgium?

Irresponsibility. Of minor importance, but characteristically Prussian, is your irresponsibility. Union contracts are never backed by Union funds; and the latter are as far as possible kept out of reach of court process by the expedient of non-incorporation of the Unions. For years your Federation has worked, lately with some success, for the enactment of laws upsetting the old established rule that human labor is property for which the laborer may contract, the right in which may be protected by the Courts. Your object in the new legislation, already held unconstitutional in several instances, seems to be greater irresponsibility, as nearly as I can understand it; to protect yourselves from damage suits by reason of Union acts in breaking up trained and balanced working forces, in creating which employers have spent much time and money; and in which they have an actually valuable working asset, similar to the "good will" of an established trade. Union men have always repudiated Union agreements when they felt like it; the leaders simply saying they could not hold the men — which was true, and an end of the agreements.

Just so German treaties were *mere scraps of paper.* Today her signature must be *guaranteed.*

Sloth. Another minor matter, but quite without any German parallel, I think:

I do not refer to the 8-hour movement, or to the "five

days, five hours, five dollars" talk one hears occasionally; but to your hostility to Taylor-Emerson and like systems for speeding up production, the essence of which is the determination by careful experiment of the reasonable maximum production that can be required of a man on any given job, without overworking him — which last is held by the authors of the system to be fatal to quantity and quality alike. You have succeeded in getting the Government, always an "easy mark" as an employer, spending the taxpayers' money with an eye to votes rather than production, to shut out any speeding up upon government work. You consistently fight full production in all collective bargaining. Apparently your idea is that so there will be more union men needed to do the same amount of work in every plant; to the ultimate advantage of union labor. For the same reason you fight piecework, and bonus plans to induce fast men to work fast by earning more.

Mischief-Making. Can you see, sir, the family likeness between the dirty work of the German spy-system in stirring up trouble for the United States with Mexico, Japan, Nicaragua, and other nations at peace with us and each other; and Organized Labor's tortuous trickery in calling the boycott, the sympathetic strike, perhaps the general strike involving innocent third parties, even the entire public, in undeserved suffering for Labor's own selfish advantage? It seems to me the American people *will* see it, when they stop to think of it.

Class Legislation. Your constitution sets forth this among other objects: "to secure legislation in the interest of the working classes." Your Report threatens legislators and judges with the labor vote; with loss of office unless they make and interpret laws to suit you. The same threat has often been made, and sometimes been effective. The passage of the Adamson Law just before the last presidential election, in trade for or under threat of the labor vote, combined with threat of a general railway strike, is a conspicuous instance which called forth widespread and indignant comment at the time. Your Report indicates your procurement of the provisions of the Clayton Act, and the Hughes Amendment to the Judicial Appropriation Act, exempting Organized Labor

from the operation of the Sherman Law against combination in restraint of trade. It censures the U. S. Supreme Court for protecting Hitchman against emissaries of the United Mine Workers, who sought to induce his non-union contract workmen secretely to organize and break their contracts by a strike; it scores the District Court for insisting in the Coronada Coal case that the jury should find a verdict on the facts (they *did* award $200,000 damages against the Union for conspiring with union mine-owners to block production and sale on non-union coal); that the jury should "do the right thing as you see it," and not put all parties to the delay and expense of a new trial by dodging a verdict. Your Report says in commenting on these cases that "the relief from such decisions lies not only in legislation, but in educating public opinion and changing the personnel of the Judiciary so as to secure judges who understand economic problems and forces."

You probably meant judges who understand *political* problems and forces; but do you seriously think that, when the issue of the People *vs.* the Unions is made up and thrashed out you can educate American voters to reject lawmakers and judges because they will not stand for *class* legislation? No German parallel here either. Germany did not worry much about public opinion in class questions.

Let me turn now to the achievements of your organization as shown in your Report.

Growth. Your Federation claims 2,726,478 members. With the railway unions, I. W. W., Knights, and other organizations, there may be a total of 3,500,000 union men and women. This is a very considerable number; yet it is but say a thirtieth part of our population, and say a tenth part of our wage-working people,—actually a small minority, though, in present circumstances, enough to turn an election, if its solid vote could be delivered. However, nine tenths of our commercial, common, farm, and domestic labor are entirely unorganized, and are likely to remain so by reason of the inherent difficulty of tying together so many scattered and incoherent individuals in so wide a country. Moreover, even in the cities a very large body of independent workers prefer liberty of action to union control. This body is likely to increase as workers grow wiser.

Wage Benefits. The detailed reports of some 199 Unions embodied in your Report claim by virtue of organization wage increases, difficult to analyze and tabulate because in different form; but which appear to average not over one hundred per cent (doubled, that is) in the last 30 years. There is no doubt that union wages have so doubled; but so also, as it happens, have *all other* wages, in the same period. If mere organization has raised the wages of union men, *what* has raised those of ten times as many totally unorganized laborers; especially of *common laborers,* which have advanced proportionately most of all? And how is it that union wages differ for the same trades in different localities (a fact provided for by your Federation's laws), if union scales determine wages? Is a union printer more deserving in New York than in San Francisco?

"The tail can't wag the dog," says the old proverb. As a matter of fact, wage levels are determined by a very different factor; namely, national productivity of wealth. Every nation uses every year substantially what it produces, or exchanges its product for; and conversely under the inexorable law of supply and demand it produces only what it can use. In practice people do not go on making stuff they cannot use or sell. Therefore what we use (in other words our standard of living, expressed in wages and cost of living, whether high or low) goes up and down with current annual production. In capitalistic countries, where machinery and organization of industry are highly developed, production and standards of living are high; higher in this fortunate country than anywhere else in the world.

For instance, the Census Reports show that our use of motive power in manufacture rose from 0.87 H. P. per man employed in 1880 to 2.43 H. P. in 1910. Meantime the value of manufactured product, including raw material, rose from $1065 per annum per man to $2692. Our *total* production of wealth from farms, mines, and factories, rose in the same years from $151 per capita of population to $303. That is, it substantially doubled for every man, woman, and child in the land.

So also wages and cost of living substantially doubled. Indeed *they could do nothing else,* under the unchanging laws

of trade. When production increases there is more to go around; more to buy, and more to pay with. One way or another the increase is sure to be pretty fairly distributed among the producers and distributors, each in proportion to his contribution to the whole gigantic work; like the rising tide, that seeks always the same level, but flows more freely to the broader channel. The old legend says that King Canute set his throne at the water's edge, and forbade the tide to rise past it. But the tide rose all the same, and the King had to move back, or get his feet wet. Just *exactly as ineffectual* are the mandates of Organized Labor to control wage levels.

The real cause of high wages is not labor *organization,* but labor shortage. Their real limitation is not the greed of employers, but buyers' prices current; at which a cold-hearted and unsympathetic public can be depended on to take the goods. Employers are always between the devil and the deep sea; they *must* pay wages enough to man their shops, or shut down. They *must* keep costs within selling prices, or "go broke."

The *futility* of labor organization in fixing wages is shown conclusively in quite another way. The Department of Commerce and Labor tabulated the results of Strikes and Lockouts for 1880 to 1905, inclusive—unfortunately not since then—covering 36,757 strikes, nine tenths of them by unions, and one tenth by unorganized labor. The total of days' labor lost in them all came to two thirds of 1 per cent of the full time which would have been made had there been no strikes. The unions won or partly won in 65 per cent of their strikes; and the unorganized strikers won or partly won in 44 per cent of theirs. The efficiency of union over non-union men to win a strike may therefore be figured at the difference between 65 and 44 per cent, or 21 per cent. But as the disputes came to the striking point but two thirds of 1 per cent of the time, the net value of your huge labor organization in its own chosen field, winning strikes, as compared with *non*-organization, was actually 21 per cent of two thirds of 1 per cent, or 14 one-hundredths of one per cent, of the total wage involved. That minute fraction of each man's earnings would come to less than half a cent a day, against union

dues of 2 cents a day; and about 2 cents a day lost in striking.

Sickness and Death Benefits. Your Report shows a considerable sum paid back by the unions to members in Benefits, apparently for last year some $2,767,751. This looks well offhand; the Report does not, however, tell what the members *paid in* for the same year. As your Laws fix a minimum monthly due, apparently, of 60 cents per man, your 2,726,478 members must have paid in at least $19,631,000. It *looks* to an outsider as though the difference of some $16,863,000 must have gone for running expenses; not a very good showing, when one considers that all this expenditure had practically no effect whatever on wages. The vast majority of our American labor, *un-organized,* got their advance just the same, without paying out a cent; while if the union members had put their $19,631,000 into almost any good industrial insurance company's policies, the benefits returned would have been *far* greater.

Short Hours and Improved Conditions. I incline to think that your agitation for shorter hours has done better for your members than your pressure for wage increases; though here again the real enabling factor is increased productivity due to increased use of power and machinery. The constant effort of the modern manufacturer is to increase output of his plant and reduce cost and prices to his customer, for the purely selfish reason that lower prices mean larger sales, and greater profits. His temptation is therefore to run full time, and overtime too, if his trade will take his output. But, in general, hours run must conform to the necessary conditions of each industry. The blast furnace *must* run 24 hours a day; the morning paper must be printed at night; the farm must work daylight hours at certain seasons. Probably your wife's housemaid works more than 8 hours a day; though I trust that you are consistent, and work two shifts at home.

But if in any industry a man or plant can turn out as much work in 8 hours as in 10, why work 10? The laborers' wish for shorter hours is human, and sympathetic to every one; though not so easy to arrange as a raise of wages. The employer's true interest is to ascertain the number of hours per shift that best suits the industry; the rate at which each

machine can best be driven without overworking the man and thus breaking down his productive power; and the fair full output which should be required of him; and then adjust conditions and wages so as to attract and hold a sufficient supply of labor. Surely the workers' interest is exactly the same.

As to working conditions Organized Labor has never much concerned itself, but has left them to the philanthropists and reformers. The Government Strike and Lockout Report above mentioned, out of 36,757 strikes records *not one* for better conditions; while the 199 union reports embodied in your annual Report for this year seldom mention or dwell on working conditions.

Productivity. Unionizing undoubtedly reduces productivity, and to that extent has been an injury to the community, labor itself included. As more machinery and better methods overcome this handicap to some degree, reliable comparisons between old and present results are hard to make. Most closed-shop employers with whom I have talked think that free labor is one third more efficient than union labor; and that output could be increased 15 to 25 per cent by use of the Taylor efficiency system, would the unions permit it, with corresponding lowering of prices to the public.

Economic Effect. As I have shown above, Organization of Labor has no power to raise wages. When my own little shop in Chicago in 1903 fought an eleven weeks' strike to a finish, and came out permanently non-union, and when I found in that union-ridden town an abundant supply of determinedly non-union labor, I came to regard your great Federation as an annoyance rather than a life-and-death menace to my business. Several of my neighbors felt the same way. More recently the largest American employer, the Steel Corporation, has come to disregard the unions, having devised a plan of its own more interesting to its men than union benefits. Any prosperous employer can do the same; and most of them probably will in course of time. The world no longer fears German militarism, and trade is not afraid as it once was of "labor war." Many a workingman has found it to his interest, as mine found it in 1903, to stick to a job factory rather than a strike factory, so to speak. Your whole elaborate ma-

chinery for coercion seems to me as obsolete as the German "goose-step." It can do nothing for labor.

Neither can your propaganda of hatred; your elaborate irresponsibility; your cult of sloth. Hatred will come home to roost, and responsibility will follow it, as today in Berlin. Sloth punishes itself from day to day. America need not worry over *them*.

Political Effect. But I confess, sir, that I worry somewhat over your political Kultur; your effort to mould our laws in favor of that strictly limited class, Organized Labor; your talk of driving from the bench judges that cannot be scared into depriving free men of their old and equal rights. For your success would involve our political deterioration; would seep a German poison into the open wells of our democracy.

Instance the Adamson Law and its consequences. Even before the Government took over, as a war measure, our railroads, telegraph, telephone, commercial marine, and say half our industries, the political temptation to buy and pay for the labor vote with special legislation was too great for our politicians to resist. They writhed and squirmed and called themselves names, but took their medicine and passed the law. Today, having taken them over, Government can no longer pay the extra cost imposed by the law by "frying the fat out of the stockholders;" so, with perfect consistency, it proceeds to fry it out of the shippers, that is, the public. Either way, the game is to camouflage a substantial cash subsidy to a few hundred thousand voters.

The question naturally arises, "After the railroad men, *what class* comes up to the captain's office next; and *how* is he going to settle?" It is not so much a matter of high or low wages for labor; it is whether a particular group of voters by promise or threat of the ballot, or the general strike, or by any other compulsion whatever, shall coerce Government for its peculiar benefit.

Organized Labor has not been the only group that would manipulate democracy for selfish purposes; but your Federation, sir, is at present the most conspicuous one. You maintain a great legislative agency, your Washington Headquarters, there where employers are few but politicians are many, that compels attention — as indeed you doubtless mean that it

shall — and invites imitation. Already in 1912–13 several groups of lovers of their country had commenced to form, east and west, with intent to establish at Washington a like conspicuous agency, representing two or three million non-partisan voters, as a counterbalance to your labor vote, which so cows our politicians. Their purpose was like our entry into the war against Germany, — unselfish, disinterested, not for the benefit of any class or party, but to make the country safe for democracy. The war for the time submerged this movement, but it is now due to revive and become powerful. It can hardly fail to line up against Prussianism, wherever found, against Union Autocracy, against Government Bureaucracy, and especially against *partnership between the two.*

Who Benefits by Labor Organizations? As far as an outsider like me can judge from the available evidence, the laborers of your Federation are spending nearly seventeen million dollars a year, from which they derive no benefit worth mentioning. The real beneficiaries of this vast outlay by these poor men are a few hundred Labor Leaders and Organizers, who are maintained in comfortable, conspicuous, and influential positions; of whom you, sir, are the chief. You are said to be sincere in your devotion to the betterment of Labor; not rich yourself, though your ability might easily make you so; but preferring the power and prestige of leadership to mere cash. Why not then so direct your activities as really to accomplish something of value in return for so much money and trust; why not do some real good to those who have made you great? Let me courteously suggest —

Education and Coöperation. Why not *cut out* your Kultur of class hatred, coercion, irresponsibility, and sloth; your plan to hold up Capital, which will only hold back industry? Why not dismantle your huge useless striking machine; and spend some of the millions it costs in creating a great bureau of expert investigation, to make you and your constituents as well aware of the actualities and possibilities in each line of industry as are now the captains and capitalists thereof?

If you did so, perhaps the first thing you would learn is that even if you kill the goose that lays the golden eggs, labor *cannot* get anything worth mentioning out of Vanderbilt and

Rockefeller. Your experts would take the Census Bulletin of 1917, and show you that all the wealth of the United States came to 187,739 millions of dollars; that there were say 42 millions of wageworkers; that if Government owned it all, and Rockefeller *et al.* owned nothing; and if under Government management it paid 5 per cent per annum as under Rockefeller — which is begging a very large question — then each wageworker would draw say $220 per annum more than present wages, Rockefeller getting nothing. That comes to 73 cents extra for each wageworker, *no more,* per diem.

How far could that small sum go to satisfy the vague aspirations of Labor commonly called Social Unrest? Not very far, alas. It would be forgotten in a month, *if* received; but probably would never be realized at all under government management.

The next thing your experts would show you is that in all history it has never paid any country, least of all its poor folk, to plunder its capitalists — as indeed unhappy Russia is showing the world today — or to establish government monopoly of industry. Also, that in all history government has lived off the people, and not the people off the government; and until human nature changes, this will always be so.

Finally, your experts would make clear to you that, whether Government owns and operates everything, or Rockefeller *et al.* own it all — either way *you and I* would fare just the same — we Americans can divide up amongst ourselves from year to year no more than we produce, or exchange our produce for. We cannot, even with the aid of the Federation of Labor, share what does not exist. There is only one way for us to be better off next year than this; and that is to produce more.

What laboring men ought to know, and what you labor leaders, with your greater ability, your organization and prestige among them, are morally responsible for teaching them, is the great economic fact that only greater production can make a community more prosperous; that the man who finds work for a thousand men and sells their output to ten thousand others is worth to the community say a hundred times as much as any one of his workers, and *justly* receives

an hundredfold reward; and finally, that the best thing a laborer can do for himself is to team up and pull with his employer, in hearty good fellowship.

You yourself put it better than I can, in your annual Report so often quoted: to win the war, you say, there must be "continuous full-power production," which "depends on the morale of the workers," which in turn derives from "efficient coöperation" between "creative labor power and controllers of capital."

Constructive Suggestions. But why stop full-power production with the end of the war? In peace as in war every man's duty is greatest service to the greatest number; and in performing it lies his chance of greatest reward. Equality of opportunity is his democratic and inalienable right; inequality of reward his democratic and inevitable justice, — "social justice;" the more useful the man the greater the reward. You, sir, have always been clear-headed enough to fight State Socialism — probably you perceive that it would be the death of Trades-Unionism — and you recognize as above the value of the capitalists. Why not then go on vigorously, in this difficult time of after-war readjustment, with that hearty coöperation between Labor and Capital which has paid you so well as a war measure?

These are times of high, unselfish purpose. Why not, as a constructive program, drop your creed of monopoly and coercion; drop class hatred and the odious word "scab;" incorporate, become responsible, back union contracts with union funds, so that they shall no longer be mere scraps of paper; drop sloth, and guarantee the work of union men; ordain that union committees shall regularly coöperate with employers to determine wages, hours, pace, and conditions for continuous full-power production, paying each man according to work done; unionize locally by shops instead of nationally by trades, so as to limit each laborer's and employer's troubles to his own job, instead of tangling him uselessly in those of a thousand others; let every shop be "open," and depend on the union contract and standards of work and *guarantee* to secure preference for the union man?

I think, sir, that employers would welcome such coöperation as this with open arms and pocketbooks; that not only

Labor but the entire community would fare better than ever before; and that the Labor Leaders whose breadth and honesty of purpose should culminate in such businesslike fashion would deserve and enjoy such standing and esteem among *all* their fellow citizens as they can never hope for while they profess and practice Prussianism.

Conclusion. On the other hand let me warn you against the dangers of the political course you seem to be pursuing. As Lincoln said, "You cannot fool all the people all the time." In our democracy the ballot is every man's legitimate and peaceful weapon *against* class privilege of every nature; it is not his club for coercion of government, legislature, or judiciary, *into* creation of class-privilege. Should Organized Labor rouse the ballot against itself — should the issue ever be made up and fought squarely, American fashion — do you not think that the People against Organized Labor, the U. S. against the Unions, say nine to one, will be intelligent enough, and *just* enough, to protect the nine against the one? Why not take heed, sir, to the disasters that befell Kaiserism on the one hand, and Bolshevism on the other?

Respectfully yours,

CHAS. NORMAN FAY.

P. S. Nov. 17th.

Since the foregoing was penned comes your Laredo speech of yesterday, which rather discourages my appeal to broad labor-leadership. You say that Organized Labor made "sacrifices," and gained "advantages" not to be taken away; that it will resist all attempt to force down wages and lengthen hours.

Now, the *sacrifices* consisted in working for the shortest hours and longest wages ever known; paid not out of value produced, but out of Liberty Loans and colossal taxation. *No very great sacrifice, that!* Yet you serve notice that *advantage,* and not patriotism, was what you backed your country for; and that Labor intends to wring out of trade in peace what it wrung out of taxes in war!

Well, to use two caustic old farm phrases, organized Labor must "skin its own — polecats," and learn to its sorrow, some time, that it "cannot milk a dry cow."

JUDGE GARY'S INNINGS

As the fourth edition of "Labor in Politics" goes to press, Judge Gary comes to bat for another innings in perhaps the final game of the Major League Championship Series betwixt "Capital" and "Labor"; and proceeds to register two Babe-Ruth clouts, if I may talk baseball vernacular, that clear the bases, and probably grab the pennant — for this season at least.

The first clout is the 1921 response of the employees of the United States Steel Corporation to its annual offering of stock, sold to them on the installment plan. This year no less than 81,721 employees out of a total of about 252,000 subscribed for 255,322 shares of the Corporation's stock, out of a total of 8,685,000 shares outstanding. At this rate it will not be many years before the control of the Corporation will be owned by the people who work for it! They buy the shares in such astonishing quantity in spite of the constant fluctuation in their value caused by wicked Wall Street; and ignore the "plutocratic reaction" and absentee capitalistic ownership denounced by Gompers, Foster, and Fitzgerald, because many thousands of their fellow employees have bought shares year after year with profit and satisfaction to themselves, and to the Corporation also. "*Seeing is believing.*"

There could be no truer way to "democratize industry," than for laboring men to save their own money, like other thrifty people; and invest it, as other men do, in any industry that makes money — particularly in the industry that supplies their own jobs.

If this last happens to be one of those plutocratic concerns at which Gompers rails so bitterly, so much the better for the men who buy into it; the more plutocratic the corporation, the merrier the buyers. They become the capitalists, and get the benefit of their own thrift, as well as

their own labor. Unless they themselves *save*, however, there is no just reason why they should get the benefit of the savings of others, which represent neither *their own toil,* nor *their own self-denial.*

The worker who buys into his own employer's business has the great advantage over other investors in it, that he is an "insider." His wages are a first obligation on the treasury of the concern; payable every week, far in advance of the "profiteering" denounced by Gompers. Moreover, he has advance information when trade is brisk and the works run overtime; or the reverse, when they stop or run short time, with their storage space congested with unsold output. He knows whether management is wasteful of labor and material, or economical. No one can fool the men in the shops; *they* know healthy conditions when they see them daily and hourly, and vice versa.

A few years ago Judge Grosscup, of the U. S. District Court in Chicago, made the notable remark in an address or an article published somewhere: that the mission of the great "Trusts," the monster corporations, though they and their creators do not know it, is to diffuse the ownership of great industries among the mass of the people, especially among their own workers.

The remark is entirely true; and the course of the Steel Corporation is bound to be followed by other large employers, as they and their workers see its beneficial effects. It is evident that when the workers *own* the Corporation, it will be impossible for Gompers to make them cripple its operation or quarrel with it in any way. This evolution of personal ownership in their jobs must restore that friendly contact of employer and employee which has tended to disappear in the greater industries, and gratify the natural feeling of every man that he would be something more than a mere cog in a great soulless machine.

Also it may be noted, that without the *great* corporation, with daily quotation of its shares on the Stock Exchanges, that is to say, without the free market of Wall Street, this diffusion of its shares among its workers would be as impossible as it was in the old days of the small shop and one-man ownership — when no man could hope for partnership

in any business, except by special favor of its sole proprietor. In a word, the road to "democratization" of industry lies through Wall Street; though most of our labor leaders and professors of sociology will never see it.

Well, so much the worse for *them!* Probably, when the time arrives, they will devote their talent for demagogy to getting the working men's proxies, so as to make themselves masters of the corporations instead of their mere working forces; and it will be interesting to observe how far they succeed. I am personally willing to bet on the common sense of the workers, once their pocket is touched, to be content to let well enough alone; and to make no change of management, when successful.

The conspicuous size of the Steel Corporation, and the ferocity of the attacks upon it by Organized Labor, make this extraordinary vote of confidence in the administration, this expression of the trust in Gary of Gary's men, all the more impressive. There would seem to be nothing left for Gompers and Foster to do but to "go away back and sit down," in the presence of all large employers who are shrewd enough to follow this open road to industrial peace.

Judge Gary's second "circuit clout" — I am still in imagination on the ball field — is the substitution of three eight-hour shifts at the Corporation's mills and furnaces for the two twelve-hour shifts common in the iron and steel industry for a century or more. He also announces the six-day week instead of the seven-day week, in the continuous-process works.

These long work days and weeks had become established in the steel manufacture, partly by the necessities of continuous process and shortage of labor, and partly by the willingness, in many cases the wish, of workingmen to earn higher wage by working longer hours; precisely as the 13½ to 14-hour day has always been and still is established in domestic service throughout the civilized world, for exactly the same reasons. They were bitterly denounced as inhuman and unchristian by a group of excellent clergymen in the "Inter-Church World Movement Report on the Steel Strike" — men who, by the way (I hope I do not do them injustice),

like the large majority of their parishioners, probably at this moment continue to work their cooks thirteen to fourteen hours a day, week days and Sundays, with customary afternoon and evening out.

Judge Gary explained that it had been impossible to inaugurate three eight-hour shifts at any time since 1915 on account of labor shortage and housing shortage, though the subject had been under serious consideration, and some steel makers had successfully introduced it. This reply did not mitigate the wrath of the clergy, who with quite unconscious Hibernicism — their Chairman was Bishop McConnell of the Methodist Church, I think — memorialized President Wilson, urging him to apply governmental *pressure* in some way to Judge Gary to bring about *free and voluntary conference* between the Steel Corporation and Organized Labor. How humorous of them!

Now that times are slack, and workmen plentiful, Judge Gary says the thing can and will be done.

What, then, is left for Gompers and the clergy still to denounce? Well — we shall see.

Probably they will say that *they* forced Gary to it, and no credit is due him or his Corporation; and they will denounce him, if — as he ought to do — he pays such wages for the eight-hour day as he *must* pay to man the works, instead of paying the same high wage for the short eight hours as he used to pay for the twelve. They will say that the "aspirations of labor," and not the law of local supply and demand in labor, should determine wages; neither should the market prices for steel cut any figure. They have already said so.

Well, the market prices for steel and labor *will* determine wages all the same; cold, impartial, just, and *inevitable* arbiters, always vigilant and omnipotent.

Meantime, let us hope that the ownership of all the great corporations will more and more be bought by, not given to, their working people; who will quickly learn the practical economics of voting their own shares for the best interest of their own business.

If this shall result, Judge Gary's innings will, in practice, be found *final*.

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